



THIRD REPORT  
OF THE  
SELECT STANDING COMMITTEE  
ON  
PUBLIC ACCOUNTS,  
IN REFERENCE TO ALLEGED IRREGULARITIES IN THE  
AWARDING OF CONTRACTS IN WINNIPEG

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OTTAWA:  
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1878.



## REPORT.

The Select Standing Committee on Public-Accounts beg leave to present as their

### THIRD REPORT:

The evidence taken in regard to the alleged irregularities in the awarding of Government Contracts in Winnipeg; together with all the telegrams which have passed between the Committee and the different Witnesses summoned.

All which is respectfully submitted.

JAMES YOUNG,  
*Chairman.*

COMMITTEE ROOM,  
27th April, 1878.



## MINUTES OF EVIDENCE.

RAILWAY COMMITTEE ROOM,  
OTTAWA, Thursday, 11th April, 1878.

Committee met.—Mr. Young in the Chair.

W. G. Scott called, and sworn and examined:

*By Mr. Bayell,—*

1. Are you aware, Mr. Scott, of Mr. Peter Sutherland's having been summoned to appear before this Committee?—Yes; I am aware of it.

2. Are you aware of his having sent this telegram: "Your telegram of the 11th just received. Family and business reasons urgently forbid my leaving home unless absolutely necessary. My book-keeper, W. G. Scott, knows all I do, and, if summoned, can leave forthwith." Are you aware if that was sent?—I am.

3. Did Mr. Sutherland consult you about coming to give evidence?—He did.

4. How long have you been in his employ?—For four years and five months.

5. In what capacity?—As book-keeper and clerk.

6. Did the cash pass through your hands?—It did.

7. Have you examined the Public Accounts at all?—I have not.

8. The Public Accounts show that a large amount was paid by Mr. Nixon to Messrs. Thornton and Sutherland. Is this the firm with whom you have been?—Yes.

9. Have you any knowledge of the purchases made by Mr. Nixon from this firm?—Yes; quite a number were made.

10. Were they furnished under contract?—Some were and some were not.

11. I speak now, if you understand me, of supplies furnished by Thornton and Sutherland to the Government?—Yes.

12. Were tenders advertised for by Mr. Nixon for these contracts?—Yes, sometimes; on one or two occasions.

13. Have you any knowledge of any contracts being given by Mr. Nixon to Mr. Sutherland that were not advertised?—Well; no. There was no real contract given that was not advertised.

14. Contracts were entered into between Mr. Nixon, on the part of the Government, and Messrs. Thornton & Sutherland?—Yes.

15. Did Mr. Nixon ever come to the shop of Messrs. Thornton & Sutherland and show them the tenders that were sent in?—Mr. Nixon went round to get the prices from Mr. Bannatyne and others, and got our prices, and compared them, and said the prices were too high or too low, as the case might be. He also stated some of the figures the others had given.

16. Do I understand you to say that Mr. Nixon would come to Thornton & Sutherland and show them the figures of the other firms, after the tenders were sent in?—I do not quite understand your question.

17. The question I put was: if you knew that Mr. Nixon had brought the tenders into the store of Messrs. Thornton & Sutherland after they had been received, and showed the figures to Thornton & Sutherland?—These supplies were not advertised for that I speak of, and Mr. Nixon went round and got the figures from the other houses, and came and got ours, and told us, of course, if we were higher or lower, as the case might be. On one or two occasions tenders were advertised for.

18. That is what I asked you in the first place; did he on the occasions to which you refer bring the figures into the store of Messrs. Thornton & Sutherland?—You mean the advertisement tenders.

19. Did Mr. Nixon bring to the store of Messrs. Thornton & Sutherland the prices he had obtained from other establishments, and exhibiting the figures to them, ask them if they could give lower prices?—On one occasion he did.

20. That is after they had been advertised for?—Yes.

21. Can you tell the Committee what Mr. Nixon said on that occasion?—If I remember aright, it was in May, 1876, that tenders were advertised for. Mr. Nixon came into the office. Mr. Sutherland and I were present: and he showed us one tender that Mr. Bannatyne had put in, and asked us if we could do better than that.

22. What did Mr. Sutherland do or say?—Mr. Sutherland said we could.

23. Yes; what followed?—We gave figures lower than the previous tender.

24. Who changed the tender?—I did.

25. On your own authority, or on the instructions of your employer?—On the instructions of my employer.

26. Which one?—Mr. Sutherland.

27. Were they for some things that both parties had tendered for?—They were for part of the goods advertised for.

28. Do I understand then, that it was that part of the tender in which Sutherland's prices were higher than those of Mr. Bannatyne's?—There were some goods we could not supply as low as Bannatyne.

29. Are you aware if Messrs. Thornton & Sutherland had tendered in the usual way for their goods?—Yes, they had.

30. Was Mr. Nixon present when Mr. Sutherland instructed you to change the figures?—Yes.

31. Did Messrs. Thornton & Sutherland obtain the contract under the latter tender?—They did.

32. When was this contract obtained?—Well, I do not remember exactly; I think it was in May, 1876.

33. Were the goods furnished under the contract?—They were.

34. Were these articles furnished inferior to those which were called for by tender?—Yes, they were.

35. What were they?—There was an inferior article of coffee. I might state that as far as my own personal knowledge is concerned, Mr. Nixon was not aware of it.

36. What was the difference in the price of the coffee furnished and that tendered for?—Well, it was always understood that Java coffee was to be supplied; in this case, we supplied Rio.

37. What is the difference in the prices?—About ten cents per pound.

38. Have you any knowledge of the quantity of that coffee furnished?—I cannot state exactly—probably 600 or 700 pounds.

39. Do you know Mr. Hugh O'Donnell of the North-West?—Yes.

40. Did he bring to Mr. Sutherland any Government sacks from Swan River Barracks?—No, not to Mr. Sutherland.

41. Did he bring you any?—No.

42. Were any Government sacks ever brought there by any person?—Yes, I believe there were some brought there; I think by Mr. John Parr, employed in the Canada Pacific Offices.

43. How many?—I think there were several hundred, probably 300 or 400; I cannot tell the exact quantity.

44. Are you sure these were Government sacks?—No; I am not.

45. Was the Government credited for these sacks?—No; they were not.

46. Do you know what became of them?—No; I cannot tell that.

47. Was the Government ever credited in your books for the sale of any of these sacks?—I believe not, though I would not be positive on that point.

48. Did you examine the books before you left in regard to this matter?—I do not know whether you are aware that I was forbidden to use any information from the books. Mr. Sutherland would not allow me to look at the books previous to my leaving, as he did not wish me to come.

49. Then he appears to have changed his mind after he made the suggestion that you could tell as much about it as he could?—Yes; he did.

50. Did he give any reason why you should not come?—No.

51. Then the evidence you are giving now is from your recollection of what the books contain?—Yes.

52. Do you know if any of these sacks had been loaned by the Government or any of its officers to Messrs. Thornton and Sutherland—or by Mr. Nixon at any time?—No, I cannot state. I know that we received sacks from the Government offices, at least I supposed they were from the Government offices; I understood they were for the use of the store.

53. Were any sacks loaned by Messrs. Sutherland and Thornton to Mr. Nixon or any other officer of the Government, for the Government?—I think not.

54. Then these sacks would not be sacks loaned by the firm to Mr. Nixon and returned?—No.

55. How do you know that they were Government sacks?—I said I was not positive.

56. You only expressed your belief?—I would not like to say that.

57. Had Mr. Nixon a private account with Messrs. Thornton and Sutherland?—He had.

58. What was the amount of that account?—Well, it would be different at different times, and I could not tell. On one occasion it was over \$800, as near as I can remember.

59. That account was settled?—Yes, it was settled.

60. How?—Well, there was part in cash and part in note.

61. Part in cash and part in note; when was that?—I think it was about September, 1877.

62. But previous to that had these accounts been settled or balanced?—Yes, on one or two occasions.

63. Was it in 1876; I suppose you balanced once a year?—Yes.

64. And was this one of \$800 and odd balanced in 1876? I think it was balanced in 1876, or early in 1877.

65. How was that account balanced?—As near as I can remember it was closed by cash \$300 and some odd; profit and loss something over \$500.

66. How much more?—I cannot remember.

67. You do not know the exact figures?—No.

68. Then this account of \$800 and odd was balanced by cash \$300 and odd, and profit and loss something over \$500?—Yes.

69. You are sure of that?—Yes.

70. Who balanced the account?—I did.

71. By whose instructions did you balance it by profit and loss.—By Mr. Sutherland's.

72. Do you know Mr. Nixon?—I do.

73. Did you, as book-keeper, suppose him to be unable to pay that account; that you would have to strike it off?—No; I supposed that Mr. Nixon was able to pay the account.

74. Is it not the ordinary mode of book-keeping, if you have what you conceive to be a bad account, to wipe it off by profit and loss?—Yes.

75. And this was balanced in this way?—That was balanced in that way.

76. Can you tell us why this large sum of over \$500 was credited by profit and loss?—No; I cannot; Mr. Sutherland told me to close it in that way.

77. Did he give you any reason for crediting Nixon with \$500 and odd, and entering it as profit and loss?—He said he believed he would not lose anything.

78. You state that Mr. Sutherland said, "He must pay me in some other way;" in what other way did he expect to recoup himself?—Well, he did not state that.

79. Do you remember exactly what he did state?—He expected we would get some contracts in the future.

80. Do you know whether this account balanced; you said so much was paid



cash, and \$500 odd put on profit and loss; was it sent to Mr. Nixon and receipted?—Mr. Sutherland went to Nixon's office and settled the account there.

81. Then you have no knowledge as to whether receipts passed between them?—I saw the accounts at the final settlement; they were receipted in Mr. Sutherland's handwriting.

82. Was the account that you saw receipted in the manner in which you described—so much cash and so much profit and loss?—I would not be positive that those were the accounts we spoke of. There were several accounts laid on the desk, and they were receipted in Mr. Sutherland's handwriting.

83. But do you know whether this particular account, to which you now refer, was receipted by Mr. Sutherland?—I cannot state that positively.

84. Do you know of any other of Mr. Nixon's accounts that were settled in the same way, by cash and profit and loss, or in any other way besides paying money?—Yes; there was one account of \$65 or \$60, receipted by cash.

85. Paid to you?—No; it was not paid to me. It was charged to Peter Sutherland; an equal amount was credited to Mr. Nixon by instruction that day.

86. What was the order or instructions in regard to that?—To credit Mr. Nixon in full and debit Mr. Sutherland.

87. Did you ever hear of, or do you know of any presents of any kind having been given to Mr. Nixon or his family by Mr. Sutherland?—There was one—a cutter—presented to Mrs. Nixon. At least, Mr. Sutherland told me so.

88. Do you know the value of it?—About \$120.

89. Did Mr. Sutherland ever tell you why this present was made?—No.

90. You never heard anything about it?—No.

91. Did Mr. Nixon at any time subsequent to the events to which I am referring cease to trade with Messrs. Thornton & Sutherland?—He did.

92. For how long a period?—I should think something over a year.

93. When I asked you if he ceased to trade, I meant did he cease purchasing the Government supplies during the period?—He did.

94. And also closing his own private account and ceasing to purchase?—He ceased buying for the Government about a year. I cannot remember the time he ceased buying for his family.

95. I understood you to say that Mr. Nixon ceased to purchase goods, on the part of the Government, from the store of Messrs. Thornton & Sutherland?—Yes; he did.

96. And I also asked you whether he closed his own private account during that period; did he continue to get private supplies from the store?—No, he did not.

97. Do you recollect the date when he ceased trading?—No, I do not, I think it was in the fall of 1876.

98. Did he close both his private account and the Government account at the same time?—No; I think his private account was continued for some time after the Government account was closed.

99. That, you say, was in the fall of 1876?—1876, as near as I can remember.

100. It was after this account, to which I referred, was settled by cash and profit and loss when he ceased, was it?—Yes.

101. After Mr. Nixon ceased to purchase goods for the Government and closed his own private account, did Mr. Sutherland, of Messrs. Thornton & Sutherland, render an account to Mr. Nixon for the amount for which he had been previously credited by profit and loss?—He did.

102. Did he include in that account the cutter?—He did.

103. How long was this after Mr. Nixon ceased to trade with Thornton & Sutherland?—About a year, I think.

104. Did Mr. Sutherland ever give you any reasons for presenting this account to Mr. Nixon, which had previously been paid by profit and loss and receipted?—Yes, he said that Mr. Nixon was not giving us any of his trade and that he thought he ought to pay that account.

105. That is the account to which I referred—the account which had been balanced by profit and loss?—Yes, that was included with some other items.

106. Had Mr. Sutherland any contract with the Government of any kind whatever at the time he made this last demand?—No.

107. Then, this account, together with the price of the cutter, \$120, would be about \$600 or \$700?—Yes.

108. This account must have been for the old account, which had been previously paid by profit and loss?—Yes.

109. What I want to know now is whether that account was paid?—Yes.

110. By Mr. Nixon?—Yes.

111. Have you any recollection how?—The cutter was deducted.

112. The cutter was deducted?—Yes.

113. Then he did not demand payment for the cutter, though he rendered the account after Mr. Nixon had ceased to trade?—No, he did not demand payment, but he deducted it from the account.

114. I understood this cutter was only charged to Nixon in the office?—No.

115. Then you never credited it, did you?—No.

116. Then how was the balance paid?—There was a discount, think, of \$225.

*By Mr. Plumb:*

117. You mean that amount was taken off the account?—Yes.

*By Mr. Bowell:*

118. How was the balance paid?—By a note at three months.

119. Was that note paid?—It was renewed for one-half the amount at the end of the three months. It was half paid.

120. And the balance due at three months?—Yes.

121. Was the balance paid?—I presume it was. The note was past due before I left. I presume it was paid, or I would have heard from the bank.

122. You attended to the banking business, did you?—Yes.

123. Where did Mr. Nixon live or board when he first went to the North-West?—He boarded with Mr. Sutherland the first winter.

124. Did you ever hear Mr. Sutherland say whether Mr. Nixon paid him or not?—No, Mr. Sutherland stated that Mr. Nixon was his guest; that he did not expect pay from him.

*By Mr. Plumb:*

125. For how long did Mr. Nixon board with Mr. Sutherland?—Probably five months.

*By Mr. Bowell:*

126. Himself alone?—Yes.

127. Then he lived with Mr. Sutherland for five months free?—Yes.

128. Mr. Sutherland told you that?—Yes.

*By Mr. Macdougall (Elgin):*

129. Was Mr. Nixon present when he told you that?—He was not. I may state that Mr. Nixon several times called to settle that account, but Mr. Sutherland would not permit me to make it out.

*By Mr. Bowell:*

130. For board?—No, for supplies to his own house.

*By Mr. Plumb:*

131. Was that when Mr. Nixon was dealing with Thornton & Sutherland, or afterwards?—When dealing with them.

132. That he called for the account?—Yes.

*By Mr. McGregor:*

133. Was Mr. Nixon aware that the account you spoke of was put to profit and loss?—I cannot tell.

134. You say that Mr. Nixon was indebted to the firm about \$800, and that he paid \$375, and was credited to profit and loss for the \$500?—Yes.

135. Do you think that he knew you had credited that to profit and loss?—I cannot state that.

136. Is it your impression that Mr. Nixon thought that amount was due to Sutherland & Co.?—Mr. Sutherland told me he had receipted the account.

137. To Mr. Nixon?—Yes.

138. Then you say, again, that Mr. Nixon called several times to pay an account; was that account a portion of the \$525?—That was before that.

*By Mr. Bowell:*

139. Where were those receipts you have referred to when you saw them?—On Mr. Sutherland's desk.

140. Did Mr. Nixon ever have this account?—He brought it up at the final settlement.

141. Then Mr. Nixon must have had the account which had been credited by profit and loss?—Certainly, he had the account.

*By Mr. Plumb:*

142. I will repeat the question put by Mr. McGregor, and I wish you to answer it distinctly. He asked you whether Mr. Nixon was aware that this account of \$500 odd, had been squared by its being charged to profit and loss. You say that the account was in Mr. Nixon's hands when the settlement was made?—Yes.

*By Mr. Wood:*

143. Did you furnish a detailed statement to Mr. Nixon of the account?—I did.

144. Making it up to \$800—you furnished the whole account?—Yes.

*By Mr. Bowell:*

145. Did Mr. Sutherland ever tell you that Mr. Nixon had said to him, or told him, that it was customary in Ontario, for Government officials to get their private accounts receipted?—No.

146. That it was customary for officials who were dealing with establishments like Mr. Sutherland's to receive their private supplies?—No; he said it was customary for Government officials to get their goods at the same price as the Government.

*By Mr. Plumb:*

147. I would like to ask you the exact date when Mr. Nixon ceased to deal with Thornton & Sutherland?—Probably about the 1st of January, 1877.

148. Then, do you know whether he has commenced dealing with them again?—He has.

149. When did he commence dealing again with Messrs. Thornton & Sutherland?—After the settlement of this account.

150. How long after that?—Probably it might have been a week.

151. He was dealing with them when you left?—Yes.

152. Was he dealing under a contract, or under specified tenders, or was he buying on general account—for the Government, I mean?—He was not buying for the Government.

153. It was on his own account?—Yes.

154. Is he not dealing with them now for the Government?—No.

155. He is dealing with Mr. Bannatyne?—So I believe.

156. And he began to deal with Mr. Bannatyne early in 1876, for the articles that had been previously got from Messrs. Thornton & Sutherland?—I am of opinion that Mr. Bannatyne always got part of the Government trade.

157. Did he buy the same kind of goods from anybody else in Winnipeg but Mr. Bannatyne?—Not since that time.

*By Mr. Wood :*

158. You say that he ceased buying from Thornton & Sutherland about a year or eighteen months ago?—I should think about eighteen months ago for the Government.

159. And he has not recommenced buying from them for the Government?—No; I think not.

160. But he has commenced his private account again with Thornton and Sutherland?—Yes.

Witness was then cross-examined, by consent of the Committee :

*By Mr. Nixon :—*

161. Is it to your knowledge that I tried to get my personal account from Mr. Sutherland to pay it?—Yes.

162. Did you tell Mr. Haggart, a member of this Committee, that you did not know anything against me to tell?—That I cannot tell. No; I do not think I did. I was in the habit of telling people who asked me, that I did not propose to tell anything until I came before the Committee.

163. Did you tell Hugh Sutherland anything; or speak generally to him?—No; Mr. Sutherland asked me about the matter, and I told him several parties had asked me about it in Winnipeg, and that I refused to tell the secrets of the firm.

164. With regard to this document, which you say was a tender, in the proper acceptance of the term tender, do you know of your own knowledge that it was what we call a tender?—Yes; I do.

165. You know, then, that I tried to get my account and could not?—I know that.

166. And that when I did get it, I paid it?—Well, of course. I know nothing about this settlement of that \$500 and some odd.

167. You got the note?—Yes; I got the note.

168. You gave the Committee to understand, I think, that I quit dealing with Mr. Sutherland on my private account; are you correct on that point?—You did for some time.

169. How long?—Probably six, seven or eight months—perhaps more.

170. You know I do deal with them, and did deal with them up to the day I left Winnipeg?—The day you left.

171. Up to the 14th March last, the day I left Winnipeg. Do you know that Mrs. Nixon continued buying her things there for months past?—Yes; probably not quite to the exact date, but near it.

172. And having a pass-book and paying you monthly?—Yes.

173. You say something about sacks, which you say were given by John Parr. Do you know the reason why those sacks were given?—No, I do not.

174. Is it not within your knowledge that when we sent bacon out West we had to get sacks to put it in?—Yes.

175. And to re-sack flour?—Yes.

176. I presume you are aware that those were charged for?—Yes, when they were supplied I think they were charged for.

177. And were they not given to Mr. Sutherland in lieu of some not charged for?—That might be; I cannot say positively. I may say that I do not know anything about those sacks.

178. What kind of sacks were they?—Some were seamless, others were what we call burlaps or oat sacks.

179. Old or new?—Old sacks.

180. Where had they come from?—I believe from the Swan River Barracks.

181. They had been returned for the purpose of putting bacon, oats, flour and other goods in. That was why we did it. What was Mr. Parr to get in exchange for the sacks?—I cannot state. There was no entry of the sacks in the ledger.

182. You are aware that in getting these sacks they had always to be re-sacked with flour, for example, and bacon?—Yes, what we called double sacked.

183. Yes; and that you charged the Government for these double sacks always?—Yes.

184. And that these sacks were given in lieu of some that had been got from you?—They may have been.

185. Or that they were to be charged for afterwards, when the others were furnished? My duties being in the office, and not in the store, I could not say as to that.

186. You spoke of my boarding at Mr. Sutherland's; are you aware that Mrs. Nixon made a present to Mr. Sutherland, equivalent to what my board would amount to, when I could not get the account?—Yes; I am aware that a present was given.

187. That I tried my best to get the account; that I often went when Mr. Sutherland was absent at St. Paul. You are aware that this was the case?—Yes.

188. There is a cutter you talk of; did you know anything at all about that?—No; further than what Mr. Sutherland told me.

189. Did you hear me telling Mr. Sutherland that I had given him a cheque for that amount, when I saw it in the account?—Yes; I believe I did. He told me he had returned the cheque to Mrs. Nixon.

*By Mr. Bowell:*

190. You say you heard Mr. Nixon tell Mr. Sutherland that he had given him a cheque for the cutter?—Yes; Mr. Sutherland told me he had returned the cheque to Mrs. Nixon.

*By Mr. Wood:*

191. Do you know if he returned it?—No.

*By Mr. Kerr:*

192. Did Mr. Sutherland tell you, in the presence of Mr. Nixon, that he returned the cheque?—No; I did not say that. There is no record of it in his books.

*By Mr. Nixon:*

193. Did I pay that account you mentioned? You said that I paid some \$300 odd in money and gave a note at three months. Did that settle the account?—There was made a deduction of \$225, or about that, being one cutter \$120, or thereabouts, and the balance discount on the account.

194. On what principle was there a discount of \$225, or whatever sum it was?—It was a fifteen per cent. discount, being the difference between the rate at which supplies were furnished the Government and the retail prices.

*By Mr. Blain:*

195. I understood you to say that Mr. Nixon knew nothing about the quality of the coffee delivered?—No; I do not think he did.

*By Mr. Wood:*

196. Were you in the habit of agreeing to supply a good class of goods, and then furnishing an inferior article?—No; we were not, and the reason we did not supply the Java coffee was because we had none on hand, and none could be procured in the city.

197. You did not advise the Government purchaser that you had not the quality of coffee tendered for, and that you sent him an inferior article?—No; we did not.

198. Was it with the knowledge of Mr. Sutherland?—He was aware of it.

199. You did not credit the Government with the 10 cents per pound difference in the price of the two coffees?—No.

200. That was an honest transaction, of course?—(No answer.)

*By Mr. Dymond:*

201. Did the coffee you speak of pass into the hands of Mr. Nixon? Where did you send it?—I suppose it was lowered to the Government teams at our door.

202. It did not pass into Mr. Nixon's own keeping?—No.

*By Mr. Macdougall (Elgin):*

203. Then Mr. Nixon had no knowledge that any deception had been practised?  
—I am not aware of it.

*By Mr. Bowell:*

204. About those sacks. Did you make an entry of these sacks being loaned to Mr. Nixon or any other person for the purpose he named?—There was no record in the books.

205. Nor were they credited when returned?—No.

206. From your knowledge of Mr. Sutherland's business, is he in the habit of lending 300 or 400 sacks without making an entry of it?—No; I am not aware that he is.

207. Do you know if such transaction took place?—No.

208. What would you have done if Mr. Nixon had come and borrowed 300 sacks?  
—I would have debited the Government with the sacks, and credited them when they were returned.

209. Nothing of that kind took place?—Not that I remember.

*By Mr. Cartwright:*

210. I understood from what you stated to Mr. Nixon, in cross-examination, that the transaction was a loan from the Government to Mr. Sutherland, and not from Mr. Sutherland to the Government; were those sacks originally the property of Mr. Sutherland?—No.

211. Then do I understand that the transaction would have been a loan from the Government to Mr. Sutherland; in fact these 300 or 400 sacks were the property of the Government, and were given to Mr. Sutherland?—They might have been.

212. For some purpose or other?—They might have been.

213. At any rate they were not Mr. Sutherland's property?—No.

*By Mr. Norris:*

214. I think Mr. Nixon stated that the bags were sent to put provisions in, and they had to be doubled sacked as they had to go a long journey?—Yes.

215. They were sent for that purpose?—Yes.

*By Mr. Plumb:*

216. Were the Government in the habit of sending their sacks to re-sack the goods? Generally I mean?—No, not generally. These sacks coming in being on hand, the Government probably made this arrangement with Mr. Sutherland.

217. Do you know anything about the arrangement?—No.

*By Mr. Haggart:*

218. Are they there yet; were any of them used for the purpose?—I cannot state.

219. Were any of them sold?—I cannot state that.

220. You do not know whether they are on hand now?—No. I am positive we had no sacks on hand.

*By Mr. Blain:*

221. I want to ask if these figures which Mr. Nixon showed to you which gave the prices of the different commodities that the Government wanted, had been obtained by advertisement, or by collecting them at the stores. Were they by sealed tenders; or in what particular way were these figures obtained, do you remember?—In this particular instance the tenders were advertized to be closed on a certain day at one o'clock; and after one o'clock Mr. Nixon came in and produced two or three tenders, and asked Mr. Sutherland if he could do better.

222. What sort of tenders? Were they open tenders in his hands?—Yes they were open.

223. They were not sealed tenders? You never saw them as sealed tenders?—  
No.

224. Did the advertisement call for sealed tenders?—I do not know.

225. Do you know if tenders were put in under seal?—Our tender was put in under seal.

226. The tenders that Mr. Nixon had were open tenders so far as you recollect?—When they were in the office, yes.

227. I suppose that commodities are required by contractors as well as by the Government; is it customary to make inquiry at the different establishments as to prices?—Yes.

228. Do you find that Mr. Nixon varied in any respect from the ordinary course pursued in such matters?—He only advertised for tenders in the case of the Mounted Police supplies, and this case was for the Mounted Police. In the case of supplies for the Canada Pacific I believe he only does it by means of lists, and each merchant sets his prices down opposite the list. The one who is the lowest gets the contract.

229. So that each one knew exactly what Mr. Nixon was doing in reference to these matters?—Yes.

230. The lowest tender got the contract?—Yes.

*By Mr. Macdougall (Elgin):*

231. You say one o'clock was the time appointed for the opening of the tenders?—Yes; the *Manitoba Free Press*, May, 1876, will tell.

232. You say that after that time Mr. Nixon came to the store?—Yes.

233. And showed you the tenders?—Yes.

234. All of the tenders?—No; I do not think he showed all.

235. What tenders did he show?—What he said was that, in some articles, Bannatyne's was lowest, and ours was next.

236. But you say that Mr. Nixon showed you Mr. Bannatyne's tender, and asked you if you could do better?—Yes.

237. And did you close the contract with him then, or put in a tender?—We put in a tender.

238. At lower prices?—Yes.

239. Then the time for opening the tenders had elapsed?—Yes.

240. Were all your rates lower than Bannatyne's, whose, you say, was the lowest at one o'clock?—There were certain articles that we could not put lower than Bannatyne's.

241. But the aggregate were lower?—Bannatyne got part and we got part.

242. To your knowledge was Mr. Bannatyne aware of this having taken place, these circumstances which you have just now detailed?—I do not know.

243. What passed between Mr. Sutherland and Mr. Nixon at this time—when he asked you if you could do better; was there anything else said about whether he could sell lower than that; No; I cannot remember.

244. Did Mr. Nixon state his reasons for going there?—He might have.

245. You do not know whether he did or not?—No; I suppose I was busy writing at the time.

*By Mr. Bowell:*

246. Did Mr. Sutherland remain present while you changed the tender?—Yes.

247. And Mr. Nixon?—Yes.

248. And you obtained the contract under the changed tender?—Yes.

*By Mr. Norris:*

249. The goods you furnished were lower than the others?—Yes.

*By Mr. Bertram:*

250. I understood you to say that the amount written off your books as profit and loss was \$525?—As near as I can remember.

251. That was also included in another account, rendered in 1877. What was the gross amount of that account?—It was about \$800, I think.

252. And you took a trade discount off that account of 15 per cent?—Yes.

253. What other discounts did you take off to make up the amount of \$225?—Well, I cannot state.

254. That would only come to \$130. Was the other item this cutter?—Yes, there was a cutter deducted.

255. On account of having been previously paid?—I did not say that. The price of the cutter was deducted by order of Mr. Sutherland.

256. And the cutter and the 15 per. cent. made up the \$225?—I cannot say exactly the amount deducted for the cutter; it might have been more or it might have been less.

257. About this article of coffee, that you substituted, were you in the habit of substituting inferior goods in that way? Did you put up any of the goods yourself?—No, I did not.

258. And how did you know that was inferior coffee?—I knew we had no other in stock.

259. Were you in the habit of substituting goods in that way?—No, we were not in the habit.

260. Did you ever do it at any other time?—Well, I cannot say as to that, as I was not much in the store.

261. Did you hear Mr. Sutherland give instructions to substitute this coffee for the other?—No.

262. Then you only heard about it from the clerks in the establishment?—The coffee was all ground upstairs, and I was upstairs at the time it was being put up.

263. You tendered for Java coffee when you knew you had none in stock?—I think it was so many pounds of coffee that were advertised for, but it was always understood that Java was to be supplied.

*By Mr. Macdougall (Elgin):*

264. And you charged the Government for Java coffee?—Yes.

*By Mr. Bertram:*

265. What was the difference in price?—I think about 10c.

266. How many pounds did you supply?—Five hundred, six hundred, or seven hundred pounds.

*By Mr. Plumb:*

267. I would like to ask you whether you know anything about the advertisements under which those tenders were sent in; did you see them in the paper, or hear of them?—I saw them in the paper. I made out the tender from them.

268. Did the advertisement state that sealed tenders would be received or that tenders would be received?—Tenders would be received.

269. It would be a matter of course that they would be sealed. Were they sent in through the Post-Office?—No; they were handed to Mr. Nixon.

270. Was yours sealed?—Yes.

271. Were the tenders you saw brought in in envelopes? No; not at the time.

272. Were those that were in the hands of Mr. Nixon in envelopes?—They were not when I saw them.

273. But were they of a kind which would be sent in envelopes; would it have been natural to put them in envelopes?—Yes.

274. Then, as a matter of fact, the time for receiving those tenders was up to one o'clock in the day?—Yes.

275. Your tender was altered to correspond with the prices of that of Mr. Bannatyne, which was exhibited by Mr. Nixon after the hour when those tenders were to be put in?—Yes.



*By Mr. Wood.*

276. Could Mr. Bannatyne have furnished those goods you agreed to supply at the price he tendered at?—I cannot tell.

277. And you do not know whether it might have been for goods that Mr. Nixon found on opening the tenders that Bannatyne could not supply?—Mr. Bannatyne's prices were on the paper.

278. But you do not know whether he could have furnished the goods or not?—I cannot tell.

279. Supposing, with reference to the cutter business, that Nixon was to say on oath here that he had paid for that cutter, you would believe he had paid for it, would you not?—I do not know how the cutter was settled for. It was between Mr. Nixon and Mr. Sutherland.

280. Then if Mr. Nixon said he gave a cheque for that, you could not say that it was not paid for?—I stated that Mr. Sutherland had admitted giving the cheque back to Mrs. Nixon.

WM. G. SCOTT.

RAILWAY COMMITTEE ROOM,  
FRIDAY, 12th April, 1878.

Committee met.—Mr. YOUNG in the Chair.

Mr. W. G. SCOTT recalled and further examined:—

*By Mr. Bowell:*

281. I see that you are reported in the *Citizen* of this city to have said, that you know that Mrs. Nixon had made Mrs. Sutherland a present in lieu of the account for the board of Mr. Nixon; is that correct?—No; it is not correct.

282. And I see you are also reported in the *Free Press* as stating that Mrs. Nixon made Mrs. Sutherland a present to cover the board of Mr. Nixon; are those statements correct?—No.

283. Kindly state what you did say?—I knew there was a present given by Mrs. Nixon to Mrs. Sutherland; but I did not know whether it was intended to pay for the board. I did not say it was equivalent to the board; I knew nothing of the circumstances.

284. You know nothing of the reasons for the present?—I do not.

285. Do you know what this present was?—Yes; it was a set of pearl-handled knives and forks.

286. Do you know their value?—About \$30.

287. How do you know they were worth \$30; have you any reason for coming to that conclusion?—Yes. There was a traveller of Mr. Wilkes up there—I suppose you are aware he is engaged in that business.

288. Yes?—I wanted to get a set of knives and forks for a present to a friend up there, and I asked him at what price he could furnish a set the same as that of Mrs. Sutherland, and he said \$30.

*By Mr. Blain.*

289. Did he give you any better terms than he gave to ordinary purchasers; do you buy from the wholesale houses at a discount?—Our firm had done some trade with Mr. Wilkes.

290. Then you might probably have got them for less than some other party not dealing with the firm?—That is possible.

291. What is the usual discount allowed in a case of that kind?—I cannot state.

292. Who is this gentleman, Mr. Sutherland, your employer; how long has he been in the country?—About five years, I believe.

293. Do you know where he came from?—He is a Scotchman by birth.

294. Had he been in the States?—He had.

295. Is he any relation to the other Mr. Sutherland whose name has been mentioned here?—No.

296. There was the name of another Mr. Sutherland mentioned here yesterday?—Yes; Mr. Hugh Sutherland.

297. He is no relation of his?—Not that I am aware of.

*By Mr. Bowell:*

298. You spoke yesterday of those tenders, Mr. Scott; did I understand you to say that they were advertised for in the papers of Winnipeg?—Yes; this particular tender was advertised for.

299. And you tendered in accordance with that advertisement?—Yes, Sir.

300. You stated to the Committee that a tender had been altered or changed after the time for the reception of tenders, by Mr. Nixon; did you file away the tenders that you sent in or keep copies of them?—We usually kept copies of them.

301. Did you file them away by letter book, or what way?—We kept them in a letter book.

302. Then you have the original copy of the original tender sent in for those supplies in the copy book belonging to Messrs. Thornton & Sutherland?—No; not a copy of the first tender sent in.

303. I thought you said you kept copies in a letter book?—Well, this particular one was torn out.

304. Do I understand you to say that the first tender sent in for those supplies was regularly copied in the copy book?—Yes.

306. And it was subsequently torn out?—Yes.

307. By whom?—By myself, by direction of Mr. Sutherland—at his request.

308. Did you also enter the changed tender in the letter book?—Yes.

309. After the tender was changed by you, at the instance of Mr. Sutherland, in the presence of Mr. Nixon, that amended tender was also entered in the letter book?—Yes.

310. Is that there now? It was when I left.

311. Does the letter book show that?—It does.

*By Mr. Plumb:*

312. Is the letter book paged by printed paging?—Yes.

*By Mr. Bowell:*

313. Do you remember the numbers of the pages?—No; I cannot.

*By Mr. Macdougall (Elgin):*

314. The time that you speak of was in May, 1876?—Yes.

315. Had there been any tenders put in previous to that time by your house?—Yes; I believe so.

316. How long before that?—I cannot state.

317. You do not remember anything with respect to tenders except the fact that tenders were put in previous to that time?—No.

318. Can you fix the exact date that this tender was to be opened and was opened—I mean the tender which you speak of as being altered?—I believe it was about the 25th May.

319. 1876?—Yes.

320. You say that Mr. Nixon came to Mr. Sutherland's store and showed the other tender to him, making the request that he should alter his tender in case he could make it any lower; to whom did he make the proposal first?—I think it was to Mr. Sutherland. We were both present in the office at the time.

321. Did you see the other tenders that Mr. Nixon had?—I saw Mr. Bannatyn's tender.

322. Had he any other tender?—He had some other papers in his hand, but I cannot state whether they were tenders or not.

323. Was there any further conversation with respect to the tenders or to the contents of the tenders; did any further conversation pass between Mr. Sutherland and Mr. Nixon with respect to the contents of the tenders other than what you have stated to the Committee?—I do not remember.

324. Was anything said about small supplies?—About small supplies?

325. Yes—minor supplies?—I do not understand that question.

326. Well, supplies of small articles?—Yes, there were some small articles required which were not in the advertisement.

327. Was that spoken of at the time?—The advertisement stated that full information could be had by applying at Mr. Nixon's office.

328. But I am asking you if, during this conversation, anything was said about small supplies?—We tendered for small supplies at the same time.

329. Then were those small supplies included in your tender?—They were.

330. You say that the duplicate of that tender has been destroyed?—Yes.

331. When was it destroyed?—At the time that this tender was changed.

332. Was it destroyed in the presence of Mr. Nixon?—That I cannot remember; I think not.

333. How does it happen that you remember the fact of the tender having been destroyed; has your attention been called to the fact of its being destroyed between the time it was destroyed and this present moment?—It was recalled to my attention by several parties in the city asking me if such a thing had taken place.

334. Did you communicate to anybody before then that this tender had been destroyed?—I might have.

335. Just refresh your recollection; did you?—Yes.

336. To whom did you communicate it?—To Mr. Ross, the Government Solicitor in Winnipeg.

337. When did you make that communication to him?—Probably a week or two before I left. It was about the time that I was summoned to appear before this Committee, and I was led to believe that I would be dismissed if I came to Ottawa. I went to see Mr. Ross to ask if I could, by any possible way not come, to see if it could be arranged in some way so that I would not have to come.

338. And then it was you first intimated that this duplicate had been tampered with—had been amended?—I think so; I do not remember any other.

339. How came you to speak to Mr. Ross about this particular thing?—He asked me the particulars.

340. Particulars as to what testimony you would give; is that what you mean to say?—He asked me if I had anything worth stating; if I knew anything of any irregularities.

341. You speak of being dismissed; are you in the employment of Mr. Sutherland now?—I am not.

342. How long have you been out of his employment?—I left on the 22nd day of March.

*By Mr. Bowell:*

343. This last March?—Last month.

*By Mr. Macdougall (Elgin):*

344. Did you leave his employment before you received information from the Chairman of the Committee that you were wanted as a witness?—No.

345. You left after that?—Yes.

346. Did you leave his employment after receiving notice that you were wanted here?—It was on account of that I left his employment. I may say that I was dismissed.

347. Was there any misunderstanding between you and Mr. Sutherland?—No: only he objected to me obeying the summons.

348. That is what you say?—Yes.

349. And you say that you were dismissed because you obeyed the summons; do you say that?—I say that.

350. That that was the only reason?—That was the only reason.

351. The only reason whatever; nothing had occurred before that between you and him?—Nothing.

352. And there was nothing else?—Nothing else.

353. And did he dismiss you?—I call it a dismissal.

354. Well, did he dismiss you; that is what I want to know?—Allow me to state the circumstances, and then you can judge whether it was a dismissal or not. I received this summons, and I told him I would have to go next day. He asked me whether I was going away to neglect his business, and I told him I was compelled to go. He used some strong language, and said I could go and stay; and he called another man in to take the books. I took that as a dismissal.

355. You say that you knew the value of those goods that Mrs. Nixon gave to Mrs. Sutherland?—I do not know the exact value.

356. Did you see the goods?—I did.

357. Are you quite sure that those were all the goods that were given—those knives and forks you spoke of?—I was told that was all.

358. Who told you?—Mr. Sutherland.

359. That is the only information you had?—Yes.

360. Did Mrs. Nixon tell you what she had given?—No.

361. Or Mrs. Sutherland?—No; Mr. Sutherland told me that those knives and forks were all.

362. How long were you in the employ of Mr. Sutherland?—Four years and five months.

363. Were you there when Mr. Nixon went to the North-West first?—I was.

364. Is he still in business?—He was when I left.

365. Is he going out of business?—He was talking of it.

*By Mr. Wood:*

366. Are you familiar with the cost or value of such goods as knives and forks?—No.

367. You do not know anything about them?—No.

368. And if they were present on the table there before you, you could not tell what they cost?—No; I could not.

369. Of your own knowledge you know nothing about them?—No.

370. Who told you what they cost?—I asked Mr. Wilkes' traveller the cost of the same kind.

*By Mr. Bowell:*

371. Who was the traveller?—Mr. McNaught; now of Zimmerman & McNaught Toronto.

*By Mr. Macdougall (Elgin):*

372. You say you communicated to other parties besides Mr. Ross the knowing something about the transactions between Mr. Sutherland and Mr. Nixon?—I said that quite a number asked me.

373. Who were they?—I cannot remember. There were quite a number. I told them I had no information for them.

374. Were they in Winnipeg, or where were they? Who were they?—Mr. McGregor, of the *Free Press*, was one.

375. Anybody else?—I really cannot remember.

376. From whom did you first receive information that you were likely to be called as a witness?—From Mr. Sutherland.

377. He was the first one?—Yes.

378. Did you make any communication to anybody that you would be able to give testimony with respect to this matter?—No; with the exception of Mr. Ross. He is the only one I can remember.

*By Mr. Bowell:*

379. I think you said that Mr. Sutherland was the first one who spoke of your coming to give evidence in his place, in accordance with the telegram which was read?—Yes.

380. You have been asked a good many questions as to whom you have been in communication with since you came here; has Mr. Nixon been in communication with you in connection with giving evidence?—It was mentioned two or three times, but we had no conversation; he merely stated that he could not see what they ever brought us here for, as there could not possibly be anything to bring up.

381. Who said that?—Mr. Nixon.

382. He said it to you?—Yes.

383. Who were present?—Mr. W. F. Alloway.

384. Is that the Mr. Alloway whose name appears in the Public Accounts so often? Have you examined the Public Accounts?—No.

385. Was there anyone else present?—No.

386. What conversation took place between you, Mr. Alloway, and Mr. Nixon at that time?—Mr. Nixon, Mr. Alloway, and myself were in a room at the Russell House, and, previous to this, Hugh Sutherland read a letter from Winnipeg.

387. He was present then?—No; he was not in the room; this was previous. He read a letter about the reports that were going around Winnipeg about this matter, and the statement was about the altering of this tender. Mr. Nixon mentioned it then and said "how absurd," or some words to that effect. He stated the contents of the letter that Mr. Sutherland had read to him and said "how absurd."

388. That is the report circulating in Winnipeg as to the changing of the tender?—Yes.

389. Did Mr. Alloway say anything in connection with that?—No; I cannot remember.

390. Did he speak to you about what evidence you were to give here?—He mentioned it, I think, the day I arrived in Ottawa, asking me if I knew anything in regard to Mr. Nixon; but I did not say much about it.

391. You gave him some evasive answer?—Yes.

392. Did he say anything then? Out with it; if there is anything, let us have it; if not, say so?—Alloway said if I did know anything I would lose nothing by keeping it to myself.

393. And then the conversation ended, did it? Did he make you any offer?—No; he did not.

394. Did you have any conversation of that kind with any other person in reference to any offers made you in that direction?—No.

395. Mr. Nixon never said anything of that kind?—No.

396. He simply wanted to find out what you knew?—No; I do not say that; he seemed to infer that I knew nothing.

*By Mr. Wood:*

397. Did you communicate to any person since you were in Ottawa the evidence which you were to give here or any part of it?—The next day after I arrived, I think Dr. Schultz was saying he received a letter from Winnipeg stating something about these contracts and the changes of the tenders; and he asked me if it was true, and I said it was.

398. Anything else?—No; I do not remember anything else.

399. Have you had communications with any one else?—I have had frequent conversations.

400. With whom?—I have conversed with Mr. Haggart; I had a letter of introduction to him.

401. Anyone else—Mr. Bowell? Yes.

402. Any other gentlemen?—I cannot remember.

403. What was the nature of the conversation you had with Mr. Haggart?—Well, I had a letter of introduction to him, and—

404. From whom?—From Mr. Charles M. Bell, of the Customs Department, in Winnipeg, a relative of Mr. Haggart's. Mr. Haggart asked me what I was doing in Ottawa, and I told him I was summoned by the Public Accounts Committee, and he asked me what it was about. I said: "About Mr. Nixon's accounts," and he asked me if I knew anything against Mr. Nixon. I replied, "Nothing serious," or words to that effect. I gave him some evasive answer.

405. What did you say to Mr. Haggart?—That is all the conversation.

406. You gave him no particulars as to the evidence you were to give before the Committee?—No; I did not.

407. Did you to Mr. Bowell?—I did.

408. Let us hear what it was?—He asked me if I had any evidence to give, and he mentioned that he had seen a letter from Winnipeg regarding the altering of these contracts.

409. Did you give Mr. Bowell any questions to ask you before this Committee?—I do not remember giving him any information except what I have stated before in regard to these tenders.

410. Did you suggest questions that Mr. Bowell should ask you before the Committee?—Well, we had conversations, and he might have said something about the questions.

411. What I ask is: did you suggest questions to Mr. Bowell what he should ask you before this Committee?—No. Mr. Bowell had some information regarding this private account, which I suppose some member of the House got in Winnipeg last summer, and asked me about it.

412. Do you know what member of the House it was?—Mr. Kirkpatrick, I believe.

413. Did Mr. Bowell, when in company with you, take down in writing certain evidence you were to give before the Committee?—I do not know. I do not remember his taking down any evidence, but he might have.

414. Did he take down certain questions, at your suggestion, that he should ask you here?—No. I did not suggest any questions that I can remember.

415. What was the statement you made to Mr. Bowell in reference to the evidence you were to give?—Well, there were so many asked me about this that I really cannot remember all.

416. You did make certain statements to Mr. Bowell?—I did.

417. Can you remember what they were—any one of them? He has had a large volume of questions to ask you?—He asked me if this report in regard to the changing of this tender was true, I said it was. After I became aware that the information was known down here I did not think it was necessary to conceal it any longer. Dr. Schultz was aware of it and so was Mr. Kirkpatrick.

418. Who told Dr. Schultz about it?—I understood that he received a letter from Winnipeg.

419. From whom, do you know?—I do not know.

420. Did your employer, Mr. Sutherland, communicate with Dr. Schultz?—I do not know.

421. And you say you never communicated it to any person before leaving Winnipeg except to Mr. Ross?—I do not remember that I stated that I gave the information to some others, I said that some others asked me.

422. Did you mention any gentleman who asked you in reference to the information which you have given the Committee?—I mentioned Mr. McGregor, business manager of the *Free Press*.

423. Did you communicate to him all the evidence you were to give?—No, I did not give any. I gave him an evasive answer.

424. What did Mr. McGregor ask you?—Whether these reports going around, about the tenders were true.

425. Then the only thing circulating in Winnipeg was about these particular tenders?—Yes, and the private account of Mr. Nixon.

426. Did you give him any information about Mr. Nixon's private account?—No.

427. Did you tell Mr. Ross?—I did.

428. What information?—I cannot remember.

429. How long ago is it?—It might have been before I left Winnipeg or after, because we came down together.

430. Yet it is only fifteen or twenty days since you left Winnipeg, and you cannot tell what you said to him?—I asked him if I could avoid going down. I do not know exactly what I said to him.

431. You mentioned Mr. Haggart, Mr. Bowell and Mr. Kirkpatrick. Did you have any communication with Mr. Kirkpatrick?—No.

432. Was there any gentleman but Mr. Haggart and Mr. Bowell that you had communication with?—Dr. Schultz and I had a talk about it.

433. Any others but Dr. Schultz?—That is all I remember.

434. Did Dr. Schultz take down in writing any questions to be asked you here?—No.

*By Mr. Macdougall (Elgin) :*

435. In whose handwriting was the tender made out, the one that was altered?—In my handwriting.

436. You are quite sure it is in your handwriting?—I usually wrote out these tenders.

437. That is not an answer to the question. Was it in your handwriting or not?—It was in my hand-writing, the last one.

438. Then there was more than one tender?—Yes, there were two, one was put in before the hour and one after.

439. And the one that was put in after the hour, in whose handwriting was that?—I believe it was in mine.

440. You say one was put in before the hour and one afterwards; the last one you say, to the best of your recollection, was in your handwriting; in what particulars did it differ from the first?—Some of the goods were lower in price.

441. What articles were they, do you remember?—I think there was flour, coffee and rice.

442. What else?—Bacon, I believe.

443. What else?—I cannot remember. I remember we could not supply the bacon as low as Bannatyne.

444. What became of the first tender you spoke of?—I do not know what became of the original.

445. Was it there at the same time you made out the second tender, the one under which the contract was made?—Yes.

446. You recognize that handwriting (handing witness a paper)?—Yes, that is my handwriting. Mr. Peter Sutherland's name is in his own hand.

447. What was the date of the other tender, the one you spoke of?—I think it was made out the day previous to the closing of the tenders.

448. Did it bear that date?—That I cannot remember. I had no copy of it, and I cannot state exactly.

449. Was the first tender handed back by Mr. Nixon to Mr. Sutherland or yourself?—It might have been.

450. But was it?—That I cannot say. It was in the office, but I was of the impression that it was destroyed.

451. Subsequently to the period that impression was made on your mind or at that time?—At that time, I think.

452. Now, this was a very striking circumstance, and it would seem to me that it

should have burnt itself in your memory so that you could remember distinctly what took place and what disposition was made of the first tender?—It is now nearly two years since this occurred.

453. You have already stated that subsequent to that time you mentioned the circumstances connected with this tender to other parties?—Yes, I stated as far as I knew, I could state nothing about the papers all being destroyed.

454. And you said in your answer to Mr. Wood, that the first one to whom you made any statement or gave any information with respect to this alteration of tenders, was Mr. Ross some weeks ago?—Yes.

455. You say you never made any communication to anybody else?—Not that I can remember.

*By Mr. Macdonald (Toronto):*

456. I understood from your evidence yesterday that the tenders were brought to Mr. Sutherland and showed to him and that he put in a lower tender?—I said a lower tender than Mr. Bannatyne. The second tender was lower.

457. You made in your evidence special reference to coffee, did you not?—I made a special reference as to an inferior quality being supplied.

458. What was the difference in price between the coffee you tendered for and that you supplied?—The usual difference in price was about 10 cents per pound.

459. Is your business a large business?—Quite a large business.

460. You receive a number of orders?—Yes.

461. From various parties?—Yes.

462. Are you in the habit of filling them in that way?—No.

463. How came you to make an exception in this particular case, and take an order for goods at one price and deliver another quality?—I may state that I did not put up those articles myself. We had no Java coffee in stock, and I do not think there was any in the city at the time. Those goods had to be supplied at a certain date, and we substituted Rio coffee.

464. But you did not send a credit invoice for the difference in price?—No.

465. There was no coffee of the price and you put in an inferior article and charged the full price?—Yes, the firm did that.

466. You say there were a variety of other things inferior in quality, and among them flour and bacon; what else was there inferior?—I did not say they were of inferior quality; I did not intend to say so.

467. How many prices of flour have you?—Flour varies in price so much.

468. You said there were several things that were cheaper, and among those you enumerated flour and bacon; what was the difference in price?—It might have been the same, or it might have been lower. As I said before, the copy of the first tender was destroyed.

469. How many prices of flour have you?—Usually about three prices.

470. Would it be an easy matter for you to take a tender at one price and deliver it at another?—No.

471. It would not?—No.

472. Do you state that, in this particular case, you delivered the precise quality of flour for which you took this order?—As near as I can remember.

473. You can charge your memory; try and state?—So I will. I may state that, on one occasion, flour was returned to us of an inferior quality. I do not think it was on this occasion.

474. How many prices of bacon have you?—The boneless bacon called for in that tender is only at one price.

475. There is only one price of the quality of bacon you tendered for?—Yes.

476. Did you deliver the precise quality?—I believe so.

477. But, do you know whether you did or not?—I cannot state positively.

478. It is a very singular thing you are able to state so accurately about some things, and so inaccurately about others?—I may state that those I speak accurately upon are those that came into the office.



479. Had you any conversation with Mr. Sutherland in regard to his inability to supply the quality of coffee, and the fact that you would have put in coffee at a lower price?—No.

480. Did you do it upon your own responsibility?—He instructed the clerks to do it.

481. Did it strike you that it was honest?—It struck me that it was not.

482. I think I understood you to say that Mr. Nixon was entirely ignorant of this fact?—I believe he was. As near as I know, he was ignorant of it.

483. How many pounds of coffee might there have been in the tender?—About 600 or 700 pounds.

484. Then you consider, in that case, you defrauded the Government out of about \$70?—Yes; about that.

485. What might be the amount of the whole tender?—Part of the goods were delivered in the spring and part in the autumn.

486. It does not matter when they were delivered; what was the amount?—Allow me to explain: Part of these goods were delivered in the spring, and the bill was rendered and paid. Of course, the bills were rendered at different times, and I cannot state the exact amount. As I stated before, I was not allowed to look at the books the day before I left.

487. Did this substitution of an inferior class of goods extend only to coffee, and were you perfectly pure and honest in the fulfilment of the other orders; did you concentrate your whole efforts on this coffee transaction?—I think there was an inferior article of pepper supplied.

488. Was there anything else of an inferior grade supplied?—No; I think not.

*By Mr. Bertram :*

489. What was the amount of the first tender, that was opened on the 25th May? I think it was?—The amount of the tender?

490. Yes; the amount of the tender—the gross amount?—It was not tendered in figures. It was a certain number of pounds of one article at so much a pound.

491. You did not make the gross amount up to a particular figure?—No; that is not the usual custom.

492. Did you make a copy of that tender?—Yes.

493. Had you it in your possession after it was torn out of the book?—No.

494. Is there any means of getting a copy of that tender now?—Not from that establishment, I think; I am positive it was destroyed.

495. You took no copy of it yourself?—No; as I stated before, I copied it in the letter book, and it was torn out and destroyed.

496. But I asked you if you had a copy of it yourself?—No.

497. Then was the next tender you made out done in the same way?—It was made out in the same way, but there was an alteration in the prices..

498. Were there not other goods in the second tender?—Do you mean the quantity?

499. No; different kinds. Were there no items in it different to the first?—That I cannot remember; I think not though.

500. You think it was a copy of the first, except in the alteration of the prices?—Yes.

501. I ask you whether there were any other items?—No; unless Mr. Nixon asked the price of some others, I think there was no change.

502. You said you made out that tender?—I stated so.

503. Were there no other items different in the second tender to those in the first?—I believe not.

504. You do not know it?—No.

505. You stated in your evidence that there were some minor goods tendered for at the same time?—Yes.

506. Did you make out a separate tender for those?—No; they were put in the one tender.

507. All in one tender?—I believe so.

508. Then the second tender was different from the first in the matter of those minor goods?—I did not say that.

509. What, then?—When the tenders were advertised for it was stated that all goods should be of the best quality, and that full information could be had by applying to the Canada Pacific Office. I stated that we got the list of goods not called for in the advertisement from Mr. Nixon, added them to the other, and put in a tender in that way.

510. Was that in the second tender, or in the first?—I think it was.

511. The additional articles, I mean?—The addition was in the first one too, I believe.

512. I did not understand that?—When those tenders were advertised for, as I stated before, it was stated that full information could be had by applying to Mr. Nixon's office. We applied and got the list of articles in addition to those advertised for; and those we put on the tender and delivered it to Mr. Nixon.

513. The tender that was advertised for specified the goods, I suppose?—Not all of them.

514. You tendered for the goods that were advertised for in your first tender, adding some other goods, the names of which you got from Mr. Nixon?—I believe that we tendered in that way.

515. You know, I suppose?—I cannot state positively, because, as I say, the copy of the first tender was destroyed.

516. Then you state that the second tender was for the same goods as the first—there was no addition?—There might have been an addition. I cannot state positively.

517. It appears to me that having made out the tender you ought to know, because there were only two days between the two tenders—whether there were different goods in the second tender. That is certainly a plain thing, for anybody making out a tender to understand perfectly. I want your evidence on that point?—I will give it as near as possible; but the figures were destroyed and I had so much to do that I cannot remember.

518. You cannot state anything about it?—I cannot state anything about this destroyed copy. I cannot remember the way it was made out or the articles in it.

519. You seem to charge your memory with some evidence. Cannot you state whether there were different items or not, or whether the two tenders were the same?—I know there was a difference, but I cannot remember the exact figures.

520. Did you make a copy of that second tender?—I did.

521. Did you have it in your own keeping?—It is in the letter book. I have no copy of any of them.

522. You stated in your evidence that you told some of your brother clerks in Winnipeg about this alteration of the tender?—I do not think so.

523. I have it down as your evidence?—I think not; I stated that I told Mr. Ross, the Government solicitor there.

524. And some clerks?—No; I said I was not positive—that I might have told the clerks in the store about it. I do not think I did.

525. Would you state positively that you told no one else but Mr. Ross?—No; I cannot state positively.

526. Are you in the habit of speaking of your master's business outside the store?—No.

527. Then you never spoke about this matter except to Mr. Ross?—Not that I remember.

528. Do you remember Mr. Faulkner in that respect?—Of course, as I said before, it was talked about in the town.

*By Mr. Blain:*

529. Did I understand you to say that the demands of the Government were very urgent at the time those tenders were put forward; they wanted the goods within a limited time?—Part of them.

530. Was there an abundant supply at that time, in Winnipeg?—Yes; it is a time of year there usually is.

531. Of the particular goods the Government wanted?—Yes.

532. I understood you to say that you could not furnish part of the goods?—I do not think I stated so. I did not intend to state so.

533. Did I understand you to say that your firm had goods of the class required by the Government, so as to fill every particular demand of the Government—was there any line of goods required that your firm had not?—If it ever happens so, we purchased generally from other merchants of the city.

534. But part of the goods, if I understood you correctly, could not be gotten in the city?—I said probably there was a scarcity at the time.

535. And you could not get the quality of the coffee required, in the town?—I would not state positively.

536. Does your memory serve you sufficiently to enable you to state what the purport of the advertisement was that called for the tenders? Why was it you had to go to Mr. Nixon's office to make enquiry before filing your tender?—I believe the reason was to get articles that were not on the list.

537. Then the articles were not all on the list?—I think not.

538. Then you would tender for particular articles, and omit others? Was that the system adopted by your firm; and others? Could you tender for coffee and not for flour, for instance?—I think we did so. Mr. Nixon would divide up the contract, and let parts to different houses that were the lowest for certain goods.

539. Then I understand you to state that the custom was to go to the Canada Pacific office and get the list of commodities that were required, and then tender for such as you had in the stores?—Yes; sometimes we tendered for those which we expected to get.

540. In that case you did not take simply the advertisement that was in the paper and add your list of prices to the articles there specified; but you had the same rights and privilege that all other storekeepers had, of going to the office and getting the list?—We had the same privilege.

541. Were the competitors numerous? Were there many storekeepers in Winnipeg who competed?—Usually four or five.

542. So, in point of fact, the competition was limited to those four or five?—Yes.

543. And they all went to the Canada Pacific Office and got the list of goods and sent in their prices?—I cannot say that.

544. Was it not the custom to call for prices and award the contract to the lowest?—That is the usual custom.

545. Was there any difference so far as this particular tender you have been speaking of was concerned; was the course you had pursued and other houses had pursued in reference to their tenders the same?—I believe so.

546. Then in point of fact in this case you are not prepared to say that you sent in sealed tenders as they are frequently sent in, and the contract awarded to any one particular firm on the basis of those sealed tenders? It was not on the basis of sealed tenders that any contract was awarded, so far as you know?—No; tenders were advertised for. Of course we sealed ours and sent them in.

547. You simply enclosed them in an ordinary envelope, and sent them in to the Canada Pacific Railway Office?—Yes; it was closed.

*By Mr. Plumb :*

548. Was it sealed?—No; only with the mucilage; there was no wax on it.

*By Mr. Blain :*

549. Then you state definitely that in so far as this particular tender was concerned it did not vary from any other tender that had been put in so far as you know?—No.

550. It was a usual and ordinary transaction?—It differed from the other advertised tenders.

551. But the constant practice was to go to the offices and get the prices and check off one or more commodities on the list just as you had the goods?—We usually tendered for them all.

552. But if you found there was a certain line of goods you had not in the store, and could not get in town, you would not put in a tender. Supposing there was a limited supply of coffee, and you found that you had not enough, you would not include that?—No, not unless we were certain of getting it.

553. The omission of one or more commodities would not necessarily make any difference in the tender. You had not to fill in every particular item in the tender, but only such as you could supply. You had the option of leaving some off?—I think it was supposed that we were to tender for all.

554. So far as your stock would allow you to do so, but you did not consider yourself bound to tender for every particular article on the list?—I think at that time we did.

555. Yes; but I understood you to say that it was customary for you, after getting a list of the articles, to fill in the prices you could give, and then it was for the Government agent to look them over and accept the lowest tender?—Yes.

556. That was the custom in this particular case?—Yes; it was the lowest tender.

557. Now, did you at any time talk over this matter with Mr. Sutherland? I understood you to say that Mr. Nixon was not aware of the entries made in your books in reference to his account. He was not present when these entries were made?—No.

558. And was not aware of them?—No.

559. You made the entries in your book under the direction of Mr. Sutherland, your master?—Yes.

560. And so far as Mr. Nixon's conduct is concerned, you are not personally aware of his being guilty of any impropriety?—Well; I do not know what you mean. As regards these accounts of his, Mr. Nixon wished to settle the account.

561. After you had carried the item to profit and loss?—I cannot state that he did.

562. I think you stated that when Mr. Sutherland was absent on one occasion Mr. Nixon called to ask for his account?—I believe this account was closed after Mr. Sutherland's return.

563. And when you came to render account on a subsequent occasion, you simply went back to the old account that you carried to profit and loss, and sent that item as part of Mr. Nixon's account?—Yes.

564. And so far as you understand that account was paid by Mr. Nixon?—Yes.

565. Had you any conversation with Mr. Sutherland about it—why that particular mode was adopted, or did you merely make these entries at his instruction?—I suppose he stated that he would get other contracts, or would not lose anything by it, or words to that effect.

566. Which expression did he make use of?—I think it was that he would get some contracts in future, or expected to, or something to that effect.

567. And the reason he rendered the subsequent account was because he did not get them?—Yes.

568. His expectations were entirely disappointed?—Yes.

569. He sent the account after he found he was not likely to get the contracts. Now, did you speak of these matters to anybody at this particular time; I do not mean just before you came from Winnipeg, but at the time the transactions were going on?—No.

570. How did anybody come to call in question the mode this particular contract was obtained under tender; when did you first hear any remarks about it?—I think it was when Mr. McGregor—no, it was some one else, asked me about it before Mr. McGregor, but I cannot remember who.

571. Mr. McGregor is business manager of the *Free Press*?—Yes.

572. Did he ask you with a view of bringing it before the public?—No.

573. How did Mr. McGregor come to talk to you about it?—I might say that this matter of the private account was talked of all over town.

574. When?—This last summer, after the last settlement; and I might say that I have been asked fully two hundred times about it. Mr. McGregor was talking about the subject, and he said he had heard of some irregularities, some changing of tenders or words to that effect.

575. How did this private account come to be talked about; it is not usual, is it, to talk about private accounts in your store?—No, it is not.

576. Had did this come to be talked about?—Well, I was in one of the hotels and quite a number of gentlemen were discussing it at the counter.

577. How long ago?—I think it was about September last.

578. Had not you heard anything in public before that?—No.

579. Nobody spoke to you outside about it before that?—No.

580. Had Mr. Sutherland talked to you about it from the time you closed the account up to that period?—He said several times that the account should be made out.

581. Why was it not made out the first time he spoke to you about it?—I tried to dissuade him from doing it, as the account was receipted, and I did not think it would be right to render it again.

582. And that was the reason why the account was not rendered before?—Well, it was delayed on that account.

583. Had you heard anything in public about it up to this time?—No.

584. Not a word?—No.

585. Nobody spoke to you?—No.

586. Who were the gentlemen speaking about it at the counter in the hotel where this conversation took place?—I think Mr. Cornish was present.

587. Anybody else?—No, I am not positive.

588. You said several were present; try, please, and remember?—Mr. John H. Bell asked me about it the same day, but I do not think it was at the hotel.

589. Is this John H. Bell the relation of Mr. Haggart who gave you a note of introduction to him?—No, it is not.

590. Do you remember any other names?—Were there any public men, newspaper men or Councillors—anybody of that kind except Mr. Cornish?—No, there were no public men that I remember.

591. Except Mr. Cornish?—No.

592. What was the nature of the discussion that took place?—Well, I only happened in accidentally, and was standing at the counter. I did not wish to be drawn into the conversation.

593. You took no part in the discussion?—No.

594. To what extent were they in possession of the facts at that time? Did they discuss the matter as if they were in possession of the facts?—Yes; they discussed it as if they understood the facts of the case.

595. Well, these facts must have come from Mr. Sutherland's store?—No doubt.

596. There was no other place where the facts were known?—Only by Mr. Nixon.

597. Then it appears at this particular time, in the month of September, there was this discussion going on in public, and that the information upon which that discussion proceeded must have come from Mr. Sutherland's store, or from Mr. Nixon, as you say. You do not know how it came from Mr. Sutherland's store, if it did come?—No.

598. You say you did not give it yourself?—No; the first information I had of it was Mr. J. H. Bell telling me that he was at dinner at the hotel, that it was discussed there; and that Mr. Cornish said he would give Mr. Sutherland a drink the next time he met him, on the strength of his having rendered the account the second time.

599. Did you try to dissuade Mr. Sutherland?—I did.

600. And he took your advice at last?—No; but he rendered the account.

601. I thought you rendered it under his instructions?—Of course, under his instructions.

602. After you left Winnipeg to come here, you had several conversations. Did you read the letter addressed to Dr. Schultz?—No.

603. Had he the letter in his hand at the time he spoke to you?—No.

604. Did he tell you the substance of that letter?—No. He said there were certain rumours going round Winnipeg about the matter.

605. Did he ask you what you knew about them?—No; I think he asked me if it was true.

606. Was this before or after you saw Mr. Bowell?—I do not remember. Mr. Bowell stops at the same hotel, and I have seen him different times.

607. Did you know Mr. Bowell before you came here?—No.

608. Did you know Mr. Haggart?—No.

609. You had a note of introduction to him and made his acquaintance after you came?—Yes.

610. Who introduced you to Mr. Bowell?—I think it was Dr. Schultz. I met with Dr. Schultz and he introduced me to several others.

611. Did you have a conversation with Mr. Bowell the first time you met him, that is when you were introduced?—Yes; when he understood what I was here for he mentioned the matter.

612. Did you make any appointment with him?—No.

613. Well, how did it come that Mr. Bowell had a conversation with you; at whose instance was it? You said that you told him about this matter?—I stated I gave him information.

614. Where did the conversation take place—in the hotel?—No; it was in the House—in the lobby I think.

615. And you made a statement to Mr. Bowell at that time?—Yes.

616. And you say that you imparted to him the substance of what you have stated here?—Dr. Schultz was present, I think, at the time, and imparted to Mr. Bowell what I had told him. The Doctor had a letter from Winnipeg, stating the facts, and I thought as it was public it was not necessary for me to keep it.

617. So that you then felt at liberty to make the communication to Mr. Bowell in order that the matter might be brought before the Committee?—I do not know that I knew at the time that Mr. Bowell was on the Committee.

618. Was it after you had been introduced to Mr. Bowell?—Yes.

619. You understood, however, that he was going to take an interest in it?—I do not think I did at that time.

*By Mr. Bowell:*

620. You were introduced to me by Dr. Schultz as Mr. Scott, who was in Mr. Sutherland's employment?—Yes.

621. I informed you I had a letter from Manitoba containing certain facts?—Yes.

622. And then in the conversation you stated certain facts to me?—Yes.

623. That is the purport of that interview?—Yes.

624. Do you think you would recollect the advertisement in the *Free Press* asking for the tenders?—Yes, I think I would.

625. Do you know if the *Winnipeg Free Press* supports the Government?—Yes, I believe it does.

626. There were a number of articles mentioned: flour, bacon, sugar, tea, coffee and biscuit. Do I understand you to say that when you sent in your tender for a supply of these articles you first obtained from Nixon a list of the other articles supplied and added them to the tender?—Yes, I believe he did. Is baking powder in the advertisement?

627. No?—Well, there was that and pepper and some other things.

628. That is not the only tender you sent in to Mr. Nixon?—No.

629. I do not mean in reference to this contract; there were other advertisements for tenders?—Yes, previous.

630. You received more than one contract from Mr. Nixon?—I do not think there were any previous to that advertised.

631. You got other contracts without advertising?—Yes.

632. Mr. Macdonald asked you as to the delivery of those goods; I understood you to say yesterday that that was not your business—that you did not put up the goods for delivery?—No.

633. Your business was that of bookkeeper—to enter them?—Yes.

634. And you happened to know of inferior coffee being delivered from the fact of your being present at the time?—Yes.

635. That was your answer, was it?—That was my answer.

636. What I understood you to say was that when you changed the tender you reduced it in price in order to make it lower than, or as low as Mr. Bannatyne's; is that what I understood you to say?—Yes; articles in regard to which Mr. Bannatyne was lower, and we could not supply as low, were given to Mr. Bannatyne.

637. What I want to know is: did you reduce those particular articles in your tender so as to make them lower than those tendered for by Mr. Bannatyne?—Yes.

638. Then, this matter about those accounts was common report in Winnipeg?—Yes, about the personal accounts.

639. Did those accounts refer exclusively to Mr. Nixon's accounts or to general accounts?—Mr. Nixon's accounts.

640. Did it refer to other firms as well as that of Mr. Sutherland; I mean Mr. Nixon's accounts with other firms?

Question objected to; objection over-ruled.

*Answer:* No. I wish to state one thing that that question has brought to my mind that I did not remember before. As near as I can remember when this new tender was being made out, the copy of the first tender was made out, and the new prices were set opposite. It was dated the same.

641. Set opposite the old ones?—Yes.

642. Was that in the letter-book?—No; it was copied. I remember some occurrence of that kind happening.

643. Mr. Nixon was present when that was done?—Yes.

*By Mr. Plumb:*

644. I want to ask you whether in changing this tender and making the delivery of these goods you acted entirely under the direction of your employer?—I acted under the direction of my employer.

*By Mr. Macdougall (Elgin):*

645. You said that coffee was one of the articles altered in the amended tender?—No, I was not positive of that.

646. I understood you to say it was?—No; I do not think I said I was positive of that; in fact, I am not.

*By Mr. Bertram:*

647. I want to ask witness if the fact of the divided sale of the goods by Mr. Bannatyne and Mr. Sutherland was that the latter sold goods in regard to which he was lowest and Sutherland sold goods which he had offered at the lowest price?—Yes; that was the fact.

*By Mr. Plumb:*

648. Mr. Sutherland was able to sell those articles which made the lowest tender because he had the advantage of seeing Mr. Bannatyne's tender, and his tender was changed in order to bring his prices under those of Mr. Bannatyne; is that the case?—That was the case.

Mr. THOS. NIXON was then called and sworn, and examined:

*By-Mr. Macdougall (Elgin):*

649. You are the Mr. Nixon who has been referred to in this investigation?—I am.

650. What is your occupation at the present time?—I am purveyor for the Government in the North-West generally.

651. For the Federal Government?—Yes.

652. When were you first appointed by the Federal Government?—Three years ago last September.

653. What office were you appointed to?—I was then appointed as agent of the Minister of Justice in connection with the Mounted Police.

654. Did you immediately go to the North-West?—Immediately.

655. Were your duties added to after that?—They were.

656. In what respect were they added to?—I was asked to become purveyor and paymaster for the Canada Pacific Railway in the following spring.

657. Did you immediately enter upon that extra duty?—I did.

658. Were your duties supplemented after that?—They were.

659. In what respect, and when?—I was asked to act as purveyor for the Indian Department.

660. Then you were acting as purveyor for three separate, distinct branches?—Yes.

661. Do you still occupy that treble position?—I do.

662. When did you first make the acquaintance of this Mr. Sutherland, who has been spoken about?—Last September, three years, on my way to Manitoba.

663. Did you fall in with him accidentally?—I did.

664. Was he then in business in Manitoba?—He was.

665. At Winnipeg?—Yes.

666. What business?—General groceries.

667. When you met him, you say you were on the way to Manitoba?—Yes.

668. Did you form his acquaintance then?—I did.

669. It has been stated here that you boarded with this Mr. Sutherland while in the North-West. Is that a fact?—That is a fact.

670. When did you begin to board with him, and how did it happen that you went to board with him?—On the way down to Winnipeg—his wife was with him at the time—he told me that he had just completed a new house, and I asked him if he had a spare bedroom in it, and if he could accept me as a boarder. He said he would speak to Mrs. Sutherland, who was on the boat, and it was arranged that such should be the case.

671. It was arranged that you should board with them?—Yes.

672. Immediately after the arrangement, did you commence boarding with them?—Not until they got settled.

673. How long after?—As well as I can recollect, two or three weeks.

674. How long did you board with them?—Until early in the following spring; some four and a-half or five months.

675. That would be in the spring of 1875?—Yes.

676. What length of time did you board with them?—From four and a-half to five months.

677. Have you boarded with them since?—I have not.

678. You were in the habit, in the discharge of your duty as purveyor, of advertising for supplies?—I was.

679. To-day I asked with respect to small supplies—probably you heard me; were there two distinct classes of supplies that you asked tenders for?—There were.

680. How did you characterize or classify them?—We had to purchase very large quantities of flour, bacon and oats.

681. You call those your largest supplies?—Yes.



682. The other class was what?—It would be very multifarious. I had to buy from door-scrapers upwards to water-barrels.

683. Did you pursue a different course in seeking competition for the larger supplies than you did in seeking competition for the smaller supplies?—Very frequently.

684. You comprehend my question?—I do, Sir.

685. Then please state to the Committee why it is you pursued a different course?—From day to day, in the year 1875, I was asked by the Commissioner of the North-West Mounted Police for articles which I had no previous knowledge might be required, and I had to go into the open market and purchase them. I could not ask for definite quantities, because I did not know the articles were wanted. That was with respect to the Mounted Police.

686. Were you in the habit of providing for the larger supplies some time before they were actually required?—No, never.

687. What was the course you pursued with respect to larger supplies, such as flour, bacon, &c.?—I advertised for tenders for those supplies.

688. Did you give a reasonable time for the tenders to be put in?—Yes.

689. With regard to those smaller supplies, you did not ask for sealed tenders for them?—I did sometimes. I noticed tenders among my papers for the Canada Pacific, in 1877.

690. Why was it that you did not always ask for tenders for the smaller supplies?—To the best of my recollection, the first time that I asked for tenders was for the Canada Pacific Railway, in the year 1875. Two parties were going out westward, and the requisitions for their supplies came in to me from day to day for about two or three weeks. I advertised for the largest supplies, which would be required first, and I had to go into the open market for the rest.

691. Well, how was that, because they were immediately required?—Yes, the men were going to Edmonton in the North-West.

692. What was your practice in reference to goods that were immediately required, and you had no time to advertise for tenders; you immediately supplied the goods, did you not? The order came in and had to be filled at once?—Yes, that is the case.

693. In cases of that kind, what is your practice?—To go from merchant to merchant with a slip of paper, and ask the prices of the various articles I wanted, and the man who was the lowest I made my purchases from.

694. Do you remember the names of the merchants you generally dealt with in this line?—Higgins & Young, Bannatyne, and Thornton & Sutherland.

695. You heard the witness Scott state yesterday that the tender was presented when you advertised for tenders in May, 1876. You advertised for tenders?—I did.

696. And that a tender was put in by his master in response to your advertisement; that he had a tender put in previously according to the advertisement; that after the time had elapsed for the opening of the tenders, you came to the office of his master, took the other tender and requested him to make an alteration in the prices if he could do so?—I heard the witness state that.

697. What have you to say about it?—I have to say that I never did anything of the kind with respect to any tender, in the proper acceptation of the term.

698. When you say tenders in the proper acceptation of the term, what do you mean?—I mean what I said before, that I went round from merchant to merchant, asking each one the prices of the various articles that I might require, from moment to moment or from day to day. I would see Mr. Bannatyne's manager, Mr. Strang, and Thornton & Sutherland, and if the prices of one firm were higher than another, I would ask them why they could not do as well as another.

699. Did you ever receive any sealed tenders for supplies during the month of May, 1876?—What do you mean by sealed tenders?

700. Sealed tenders, as stated by the last witness?—Some of them have been gummed and some not.

701. But did they purport to be sealed tenders?—No; they did not.
702. Did any alteration of a sealed tender, or any alteration of a tender, such as he spoke of yesterday and to-day, take place?—Nothing of the kind ever took place.
703. Was there a substitution of one tender for another, as stated by him?—Not that I know of, and it could not be done without my knowledge.
704. I believe there is now in the possession of the Department a tender put in by Mr. Sutherland's house at that time?—There is.
705. Will you look at this paper (handing it to witness). Is that the document?—It is.
706. What is the date?—26th May, 1876.
707. That tender was received from whom?—From Thornton & Sutherland.
708. Was that the only tender you received from them?—That was the only tender I received from them.
709. Did that tender, or any tender or paper relative to it, undergo any alteration by you or with your consent or knowledge?—It did not.
710. Did you at the time receive tenders from any other merchants in Winnipeg?—I did.
711. For the same articles?—For the same articles.
712. Did you then, in relation to that contract, show the tenders you received from these merchants to Mr. Sutherland, before finally concluding the contract with him?—I did not.
713. Are you quite positive in saying that?—I am quite positive in saying so.

THOMAS NIXON.

RAILWAY COMMITTEE ROOM,  
MONDAY, 15th April, 1878.

Committee met.—Mr. Young in the Chair.

Mr. NIXON re-called and further examined:

*By Mr. Macdougall. (Elgin):*

714. The other day you were hurried for time as the Committee desired to adjourn, so I would like you to explain more fully with regard to the distinction that existed between the larger supplies for tenders for which you were in the habit of advertising, and the mode of procuring competition in the smaller, or minor supplies as you called them?—In the particular instance to which reference is made, the tender of May 26th, 1876, I advertised under instructions from the Department. This is the telegram; it is dated 15th May, 1876; "Department of Secretary of State: Advertise immediately for supplies of: bacon, flour, sugar, tea, coffee; one-half to be delivered, remainder as required between now and first September; to close in ten days; instructions mailed." In accordance with these instructions I advertised for those articles. One of the advertisements is here. I received instructions in due course of mail, and there was added rice, split-peas, beans, apples, salt, baking powder, pepper, candles, biscuit and bran.

715. You received those instructions from the Department of the Secretary of State here?—I did. When I opened the tenders on the 26th of May—

716. Wait a moment. Now, what I wanted you to explain to the Committee a little more fully than you did the other day, was the reason why you asked for tenders in some cases, and the reason why you did not ask for tenders in the others?—Goods were being asked for from day to day, for various minor or small articles, of which I had no previous knowledge.

717. Do I understand you that the necessity of the goods being immediately wanted, required that the orders should be filled up?—Yes, sometimes I had only a day or two to do it, as after the Commissioner of Mounted Police arrived in 1875, his force might be at Winnipeg or Dufferin, as the case might be.

718. Who sent the instructions for procuring the supplies?—A written requisition would come from the officer of the Mounted Police, the Commissioner, or the person who might be in charge on the Canada Pacific Railway, the Engineer in charge, or the district Engineer; no others being permitted to make requisitions.

719. Will you please look at the tender of the 26th May?—I have it before me.

720. You remember the circumstance of having received that tender?—I think I do.

721. When and where was that tender opened?—It was opened in my office.

722. Who were present?—There was no one present at the time—not in my private office; there was in my accountant's office.

723. Are you sure it had not been opened before that?—I am very sure it had not.

*By Mr. Plumb:*

724. That is the tender of the 28th May, you mean?—The 26th May.

725. What particular tender is that?—Thornton & Sutherland's.

*By Mr. Macdougall (Elgin):*

726. That is the one to which the witness, Scott, referred to the other day?—This is the tender.

727. Well, was that your usual mode of opening tenders of a similar description, opening them in your office?—That was my only course, and I generally consulted with Mr. Rowan, the district engineer, about these matters, particularly when I was opening tenders for the Canada Pacific Railway. These tenders here are signed by Mr. Rowan.

728. Had you at that time other tenders from other merchants?—I had other tenders from other merchants.

729. From whom?—From Andrew Strang, W. H. Lyon, Reynolds, and H. W. Kennedy.

730. Did you open them all together?—Yes; all together, one after another.

731. When?—Immediately; at that time.

732. Did you make out a contract on any of these tenders?—Not then I did not.

733. When did you?—Not for some eight or ten days after.

734. With whom did you make the contract?—I made the contract by order of the Secretary of State. I did not give the contract out—I mean I did not give it of my own notion; I gave it after instructions from the Department.

735. Directly you opened the tenders, and ascertained what they contained, what did you then do?—I sat down and wrote the following letter to the Secretary of State. The letter is dated May 26th—the same date:—

“WINNIPEG, 26th May, 1876.

“SIR,—According to the instructions conveyed in your letter of the 15th instant, I have this day opened the Tenders which have been received, a copy of which I have the honor to annex.

“In relation to your telegram of the 18th instant, ‘Complaints received from Commissioner of inferiority of supplies purchased at Winnipeg, particularly Bacon, Minister requires report on new tenders before accepting.’

“I may be permitted to remark that since I have been in this Province I have never seen any inferior Bacon, the article imported (now being manufactured here) being the best boneless, but always fat. In no case do I allow any to be put up for any Department without personally inspecting every side. Bacon in the spring of the year, previous to the arrival of that manufactured the preceding winter, is likely to become a little ‘rusty,’ as in this country no Bacon can be imported later than

October, and at that time the stock brought in is usually that of the previous season, so that early in spring before stocks arrive, all Bacon here, being nearly 12 months old is, as already mentioned, a little 'rusty.' The being fat is always an indication of good quality, and unless I purchase the brand known as English breakfast, which is especially put up, sold at a high price, and not generally to be had in large quantities, the complaint of being 'too fat for rations' will continue to be made.

"The tender of Thornton & Sutherland being the lowest in most of the articles, should be awarded to them with a few exceptions.

"On examining the samples of tea, I found that of Andrew Strang to be of a better grade than that of the firm mentioned, and much better than that of W. H. Lyon, and as the latter named was not willing to accept a contract on a tender submitted to me a few days ago for supplies for the Department of Public Works unless I would give him the whole, I had therefore to rule him out.

"I have decided, subject to the approval of the Honorable the Minister, to give the contract as follows:—Thornton & Sutherland, bacon, flour, coffee, (which, although higher in price, is ground when ordered, from fresh roasted on the premises, that sold by other grocers being imported ready ground and not generally first class), sugar, apples, rice, split peas, salt, pepper, candles and bran. And to Andrew Strang: tea, beans, baking powder and biscuits.

"I have the honor to be, Sir,

"Your obedient servant,

(Signed)

"THOMAS NIXON.

"COLONEL H. RICHARDSON,

"Department of Secretary of State."

736. And the contract was made in pursuance of that?—Yes; in pursuance of the instructions from the Department.

737. Now, from the time you opened those tenders and knew what they contained, to the time you decided to give the contract to Thornton & Sutherland and these other parties, did you go to any of them or communicate with any of them, directly or indirectly, with respect to the contract in any way?—I did not.

738. So that you do not concur with the statement made by the witness Scott the other day with respect to them?—No; I do not.

739. He stated that you had come to the office of Sutherland with the tenders, and had showed them to him before the contract was made, but after the time appointed for opening them?—I did not.

740. With a view of having a change of prices?—No, I did not; I did nothing of the kind.

741. You fully understand my question?—I thoroughly understand your question.

742. Had you, at that time, another tender from Mr. Bannatyne?—No; I received no tender from Mr. Bannatyne.

743. I think Scott stated you showed Mr. Bannatyne's tender to Mr. Sutherland, whereas, the fact is, as you state, you had no tender from Mr. Bannatyne?—I have all the tenders here and there is no tender from Mr. Bannatyne.

744. Now, I understood you to say, the other day—you will correct me if I am wrong—that when these small supplies were required, the orders for which you had to fill out immediately, you were in the habit of going from one store to the other, to see who could do the best—in order to get the goods the cheapest?—That is correct.

745. Now, about this bacon; what was the quality of the bacon you got? That was one of the items in the tender you accepted—that from Mr. Sutherland?—Yes.

746. Have you anything to say about it?—I have to say that it was not purchased in Winnipeg at all.

747. Where was it purchased?—In Ingersoll, by the Department.

748. Then you really did not get the bacon from Thornton and Sutherland?—No; I got none from them under this tender.

749. You say that the bacon procured at that time, was purchased, by the Department, at Ingersoll, and forwarded to Winnipeg?—That is correct, Sir.

750. There was an item of coffee included in this tender, you made reference to it in your report?—I did. I made reference to it because Messrs. Thornton and Sutherland put in their tender a higher price for coffee than any of the others.

751. Sutherland did?—The sample they sent me was so much better than the ones received from the others that I recommended to the Minister that I should purchase that article from Thornton and Sutherland.

752. Then in purchasing the coffee you purchased in the usual way, by sample?—By sample.

753. And being ground and of superior quality, that induced you to advise the Department to accept it?—That was the reason, but it was principally upon the instructions of the Department that their coffee being ground, a good deal of it would not be used for nearly twelve months. I wished to send the Mounted Police a good quality. I had to send it to Battleford and Swan River.

754. Scott stated that the article was not the same as the sample, but was of inferior quality. Did you hear anything about that?—I knew it for the first time when it was mentioned here that day.

754a. The first knowledge you had of it was from the witness making the statement?—That was the first knowledge I had of it.

755. Did you hear any complaint from the police about it?—No complaint ever reached me about it.

756. Then to sum up, you by no means, directly or indirectly, or in any way had any knowledge of this deception having been practiced, until it was disclosed to you through the testimony of the witness the other day?—I did not.

757. How were these supplies usually packed up and sent out?—The coffee, if I remember aright, was put up in boxes, but the bacon would, of course, require to have sacks put around it. We did not usually send it out in wood, because of the great expense of freight; therefore we put the bacon in sacks, three sides to the sack, or two sides, as the case might be. We put some hay between them to keep them from "sweating," as we call it.

758. Really then these things were re-sacked or re-covered?—Nearly everything we send out is re-sacked.

759. Double packages?—Double packages.

760. I find that Scott gives this evidence about some Government sacks: "Did he (O'Donnell) bring to Mr. Sutherland any Government sacks from Swan River Barracks?" He answers "No, not to Mr. Sutherland." Then he was asked "Did he bring you any?" And replies "Yes." And he goes on to say there were some 300 or 400 brought by John Parr, employed in the Canada Pacific offices, and so on. You heard what he said about these sacks the other day?—I did.

761. Will you explain freely to the Committee as to how these sacks were used, and as to whether any of these sacks were given to Thornton & Sutherland or not?—Previous to my arrival in the country, and some little time after, I found that we had a great many sacks in the North-West for which we paid in the aggregate a considerable amount, and I wrote an official letter to the Quartermaster to return by my freighter whatever sacks he could spare, as I did not propose to purchase any more for re-sacking while we had so many. That man brought me back a cartload.

762. Who?—A freighter. It was not O'Donnell, as mentioned in the evidence, but one of the Half-breed freighters that brought me back a cartload. I suppose the weight would be 850 lbs., or perhaps more, for which I paid him three cents a pound for returning them from Swan River. These were utilized from time to time in re-sacking. My storeman came into me one day—John Parr I mean—and said: "Mr. Sutherland wants to know if he can borrow 300 or 400 sacks?" I said: "There is nothing wrong about that, provided you can get them back again." He lent 410; of these 295 were returned, and the balance used by Mr. Sutherland in re-sacking.

*By Mr. Wood :*

763. For the Government?—For the Government. At the end of this year I reported to the Department that there were 580 sacks on hand.

*By Mr. Macdougall (Elgin) :*

764. How many sacks do you say you lent?—410.

765. To whom?—They were lent to Mr. Sutherland.

766. Why were they lent to him and on what understanding; were they to be returned?—They were to be returned. We were making our purchases from Thornton & Sutherland, and while those sacks remained in their hands we would not pay for any sacks used in re-packing. My storeman got the balance (295) from Mr. Sutherland.

767. Then those sacks were simply returned to him for the purpose of re-sacking new purchases?—I would not say that the 410 were. That was the certain number that my storeman picked out for him. I think he was doing business—buying wheat or something of that kind, and he wanted the loan of the sacks.

768. And you got them back?—We did.

769. And none of the sacks were lost?—Not a single sack.

770. And do you mean to say that yourself or the Government lost nothing with respect to the sacks?—I certainly do.

771. You wish that statement to be understood in that way?—I do.

772. Was there a Mr. Strang doing business in Winnipeg?—He is Mr. Bannatyne's manager.

773. Did he put in a tender?—He did put in a tender.

774. I mean on the 26th May?—On the 26th May.

775. Would that be for Bannatyne & Co?—He put it in on his own name.

776. Just turn to that tender?—The previous month, Mr. Bannatyne put in a tender himself. This is it which I hold in my hand (tender produced).

777. That was for what articles?—All the articles mentioned in Mr. Sutherland's tender.

778. Was that opened at the same time as the other tenders were opened?—It was, Sir.

779. Were the contents of that tender communicated to Sutherland & Co.?—They were not.

780. Did you ever see a statement or memorandum of the bacon purchased at Ingersoll?—I did not. As well as I recollect I did not. I would not like to be too positive in regard to that. I received the bacon, of course, by boat. It was shipped to me, and transhipped to the North-West.

781. At any rate the Winnipeg merchants had nothing whatever to do with it?—Nothing at all; it was purchased from Ingersoll merchants.

782. The witness Scott said there was an account running at the same time between you and Mr. Sutherland?—Yes, Sir.

783. I mean with the firm?—Yes.

784. When did the account running between you commence?—In 1875.

785. Do you owe that firm anything now?—I do not. I beg pardon, I do. I owe them since the 1st March for whatever groceries my wife may have purchased there. I may state that I never purchased anything for my house myself.

786. Did you ever at any time have a settlement with the firm?—I had a final settlement in September, 1877.

787. What was the amount of your account then?—Some 800 and odd dollars, I think.

788. Have you got the account?—I have, Sir. There is the account, and there are the notes. (Account and notes produced.)

789. You can turn them up and show the Committee how the account was settled?—The amount was \$600.

790. You heard what the witness Scott said in regard to the personal account,

what remarks have you to make regarding the personal transaction between the firm and yourself?—I tried again and again to get my account from Mr. Sutherland, and when I found that I could not, I quit dealing with the firm. When I got the account, the then balance was \$689.31. There was a discount on the account of \$125.81, and a cutter \$120. The account was settled by a three months' note, which is here.

(Note produced.)

791. Was that note paid?—The note was paid at the end of three months by a renewal of one-half with interest, which made the second note \$228.62.

*By Mr. Kirkpatrick :*

792. What is the date of the first note?—September 11th, 1877; and the second note 14th December, 1877.

*By Mr. Macdougall (Elgin) :*

793. Will you be good enough to state to the Committee how you happened to purchase the cutter from Mr. Sutherland?—He was going to Minneapolis, and another party and myself asked him to purchase a cutter for us.

794. And he did so?—He did so.

795. Did you state just now that there was a credit of \$120 for the cutter in that account?—Yes, Sir.

796. How does that come to be there?—When he brought me the cutter, I gave him a cheque for the amount. I gave Mr. Sutherland a cheque for the amount.

797. Why is it that appears there as credit?—Because he brought that cheque to my wife, and told her he wanted to give her it, and she was not to say anything to me about it; and I did not know anything about it until sometime afterwards.

798. You say you gave him a cheque?—I did, Sir.

799. Then what about the discount?—There was a discount of \$125.81.

800. Why was that discount made?—Because this account, it will be seen, was at the retail prices of the city of Winnipeg.

*By Mr. Bertram :*

801. What is the gross amount of Mr. Sutherland's account?—\$689.31.

*By Mr. Macdougall (Elgin) :*

802. And you say \$120 was taken off for the cutter?—Yes; and a discount of \$125.81 was taken off about \$800 of the account.

803. How is that?—Because there is a credit of cash given to me of \$306.50.

804. Where?—On this account.

805. But what was the gross amount without any credits being deducted?—\$873.62.

806. Now give us the credits?—The credits are \$306.50 in cash; a rebate of \$7.15. I do not know what that is for. I suppose it is on account of some error that was made. Then there is cash \$3.50, for something I bought personally and paid for at the time. Cutter, \$120, and discount on account \$125.81. There is to be added some articles purchased in the months of May and June, 1877, which I see here, amounting to about \$15. Then the final payment was the note for \$443.50.

807. Is that account settled now?—This account is settled in full, in the way I have told you.

808. You were going to tell us what the rule was between Mr. Sutherland and yourself in regard to making those discounts?—There was no rule. When I came to pay my account I thought I was entitled to get goods as cheap from merchants as I bought goods from them for the Government. There is a 15 per cent. discount in that account, but that did not give me them as cheap.

809. And that was the ground on which the discount was made?—That was the ground.

810. Had you personal dealings with other merchants in the place?—I had.

811. To any considerable extent?—Not to a considerable extent.

812. Were any discounts made by them to you?—Mr. Bannatyne did the same. He charged me the retail prices that he sold the goods for, and when I settled the account I got a discount of 15 per cent.

813. Then you got as liberal terms from him as you did from Mr. Sutherland?—Just the same. When I bought tea for the Government at 45 cents, I had to pay Mr. Sutherland from 75 cents to 80 cents per lb. When I bought oatmeal for the Government at 5 cents and 6 cents—6 cents being the maximum—I had to pay Mr. Sutherland and Mr. Bannatyne 8 cents. Those are the retail prices in Winnipeg. It was similar for the other articles. A discount of 15 per cent. would not bring the price down to the wholesale price at which I bought for the Government—in no instance, neither in regard to Mr. Sutherland nor Mr. Bannatyne.

814. Could you have got goods as readily from Mr. Bannatyne and other merchants for your personal accommodation as you could from Mr. Sutherland?—Just the same. Whenever I purchased I got them on the same principle, whether I deal with them or not—I mean whether I deal with them for the Government.

815. You told the Committee the other day that you boarded with Mr. Sutherland for 4½ or 5 months after going to Winnipeg?—Yes.

816. That was all the time you boarded with him?—Yes. My family arrived, and then, of course, I ceased boarding with him.

817. Then it was only to serve your necessities at that time that you were induced to board with him?—That was all.

818. Did you make any compensation to him for that?—I did not pay him anything for it. Mrs. Nixon made a present to Mrs. Sutherland of a set of cutlery and a set of lace curtains.

819. Why did you not pay him?—I offered to pay him, but he told me again and again that I was his guest.

820. When you went there, and during the time you were boarding there, did you expect to get your board for nothing?—No; I did not.

821. If you had, would it have had any effect on your remaining there?—I would not have remained there.

822. How did Mrs. Nixon happen to give Mrs. Sutherland these things?—It was by my direction; I told her she must do it.

823. That was after you found, as you say, that he would not accept payment?—Yes; after I failed to get my account.

824. What would be about the value of the things Mrs. Nixon gave Mrs. Sutherland?—I could hardly answer that question; I do not know.

825. What were the articles?—A set of lace curtains, and a full set of 24 pieces of cutlery—mother of pearl handled knives and forks of considerably high value.

826. When you wished your wife to do that, what was your intention—to give her less or more than, or what would be equivalent to the board?—I tried to make it equivalent.

827. And what do you think now, as to whether it was or was not equivalent?—Perhaps it was hardly a full equivalent.

828. What did you think then?—I thought it was.

829. And what do you think now?—Mr. Scott's testimony—

830. But what is your own opinion?—My own opinion is that Mrs. Sutherland got all that we ought to have paid.

831. Do you consider yourself under any personal obligation with respect to that item in view of the fact of your wife having given these articles?—I do not, and I do not think he does either.

832. When did you make your last purchase in Manitoba for the Government; either in person, or of any kind?—I made a purchase indirectly on Government account a little while ago.

833. What do you mean by indirectly?—The engineers of the Canada Pacific Railway are now paid board wages; the instructions are that I should purchase for



them; before that we charged it to them and they repaid it. I do not pay in Government cheques for these purchases.

*By Mr. Plumb :—*

S34. You make the purchases directly, then?—Yes; for some of them.

S35. But it was not charged directly to the Government?—That is what I mean.

*By Mr. Macdougall (Elgin):—*

S36. It was charged to the Pacific Survey?—Yes; but I have made some small purchases on Government account for one camp.

S37. When did you make them?—About a month ago; I make them every month for that camp.

S38. Did you advertise for tenders for these purchases?—On the 16th May, 1877, I advertised as follows: "Tenders for the following supplies for the Canadian Pacific Railway will be received up to noon on Wednesday next, 23rd inst., at the office of the undersigned. The contract to be for six months. Every article to be of the best quality. The lowest or any tender not necessarily accepted." In that instance I advertised for flour, pork, bacon, hams, biscuit, oatmeal, white beans, vegetables (pressed), vegetables (canned), meats (canned), fruits (canned), split peas, dried apples, tea, coffee, sugar, rice, syrup, Twin Brothers' yeast, baking powder, lime juice, matches, spices, potatoes, table salt, mustard, ginger, pepper, pickles (Crosse & Blackwell's), sauces (Lea & Perrins'), soap, candles, coal oil, vinegar, bran, oats and hay. I received tenders from McDermott, Thornton & Sutherland and W. H. Lyon. Those tenders were opened in the presence of Mr. Rowan, District Engineer, and myself. Mr. Rowan has endorsed the tenders; and in making a calculation as to how much it would take to feed one man per month, we found that McDermott's was the lowest, and the contract was awarded to him.

S39. Is he a merchant in Winnipeg?—I do not think he is. However, I had nothing to do with that. He is one of the wealthiest men in our Province, but I do not think he has any store.

*By Mr. Mills:*

S40. That is the old gentleman?—Yes.

*By Mr. Plumb :—*

S41. How old is he?—About 80. I also advertised on January 30th, 1877, and I find I received tenders from W. H. Lyon, Thornton & Sutherland, and Mr. Strang, for meats from Clark & Bose, and from the Hudson Bay Company. At that time Strang's tender was found to be the lowest by Mr. Rowan and myself. He was associated with me, and has endorsed the tenders.

*By Mr. Kirkpatrick :—*

S42. What date was that?—January 30th, 1877. At that time the articles required were fresh beef, fresh mutton, pork, bacon, hams, flour, Graham flour, biscuits, oatmeal, white beans, split peas, dried apples, tea (black), tea (green), coffee, sugar, rice, syrup, Twin Bros. yeast, baking powder, table salt, mustard, pepper, pickles, Worcester sauce, soap, soap (toilet), candles, coal oil, vinegar, canned meats, canned vegetables, pressed vegetables, matches, ginger, lime juice, sugar, lime juice, allspice, butter, potatoes, and oats. Strang's tender being the lowest, the tender was awarded to him.

*By Mr. Macdougall (Elgin):*

S43. What was the date?—30th, January, 1877; but the purchases have been based more or less on this later one—the one I read first.

S44. When did you make the last purchase from Thornton & Sutherland?—I cannot answer that question. Of course, I purchased none of those articles I mentioned, as the contracts were given to Mr. Strang and Mr. McDermott.

845. What induced you to give the contracts to them? Because they were the lowest?—Certainly. I have a duplicate statement of the prices here.

846. That was the only reason?—The only reason.

847. If Sutherland's firm had tendered in the same way, and at a cheaper rate, you would be as ready to accept their tender as anybody else's?—Certainly. In May they did tender; but their tender, not being in accordance with the advertisement, was ruled out. Their tender is here.

848. Scott said that Sutherland told him that he ceased to get any business from the Government, from which I understood that there must have been some feeling between you and Sutherland; and that you did not wish to give him business?—There was no feeling. His tenders were not as low as other people's; that was all. There was no feeling, nor is there any now. My wife has dealt there from month to month since.

*By Mr. Plumb:—*

849. When was the tender ruled out?—On the 23rd May. The reason it was ruled out was this: Sutherland said his prices for flour, bacon, pork, and hams were good for five days only. I asked in the advertisement for prices for six months. He said in his tender "at the lowest market price, if delivered after the 28th inst." I could not accept it on those terms, and it was ruled out. I had a tender, also, from Mr. Sutherland on the other date which I mentioned, which was in accordance with my advertisement. It was opened by Mr. Rowan and myself, as were the others to which I alluded. This tender was in full for the articles asked for, or nearly in full. It was found to be higher than Mr. McDermott's, and the contract was not awarded to Mr. Sutherland. It was not much higher, but it was higher.

*By Mr. Macdougall (Elgin):—*

850. I wish to return shortly to the circumstances of the 26th May, 1876?—Yes, sir.

851. You say that you contracted for some articles with Mr. Sutherland and some with Mr. Bannatyne?—With Mr. Strang.

852. Will you explain a little more fully, than you did before, as to why and how that was done?—Well, take the article of tea. Thornton and Sutherland's price is 45 cents per lb; Andrew Strang's is from 35cts. to 45cts. per lb.; Lyon's from 40cts. to 43cts., and so on. Although Thornton and Sutherland's and Strang's price for the tea was about the same for the best quality, that I received from Strang was so much better that I recommended that the contract should be awarded to him. Coffee I have explained to you. Sugar—Mr. Sutherland was a little lower. For rice he was a good bit lower— $\frac{3}{4}$  ct. per lb.; split-peas he was half a cent lower. For beans—Mr. Strang was the lowest. Mr. Sutherland's tender was  $4\frac{1}{2}$  cts., and Strang's  $4\frac{1}{6}$  cts. I recommended Strang and he got the contract. For dried apples Sutherland was very much lower. His price was  $12\frac{1}{2}$  cts., while Strang's ran up to  $15\frac{1}{2}$  cts.

*By Mr. Mills:—*

853. Were all those articles in the advertisement?—No; they were not. The tenders received in answer to the advertisement in the *Daily Free Press* were for certain supplies, and a verbal request had to be made in regard to other supplies. This was in accordance with instructions from the department.

854. Were they all included in the tenders?—Yes; all of them.

*By Mr. Macdougall (Elgin):—*

855. Was that verbal information communicated to all who were likely to tender?—To all of them.

856. Just explain fully how that was?—As soon as I received from the Department my full instructions, which are mentioned in that telegram which I read, I went round to the merchants and told them that there were other articles which were to be put in their tenders.

857. You told them all?—I told them all.

858. And they were included in the tenders?—They were included in the three principal tenders, not in the others. They were not included in Mr. Reynolds' tender; he does not keep a large stock; nor in Mr. Kennedy's, who does not keep a large stock. Five merchants were all that sent in tenders.

859. Then you made the contracts with those who had the articles and could sell them the cheapest?—I did. I may say that one firm received some \$8,000 or \$9,000 from me, and this is a letter I received in relation to it:—

“WINNIPEG, Manitoba, May 26th, 1876.”

“DEAR SIR,—We regret exceedingly that we cannot tender on supplies required by you, as we are unable to deliver the one-half of amounts immediately.

“We are short on two or three articles, and prefer losing our chance of the contract to taking the risk of an immediate demand for perhaps the whole quantity soon after the 1st June.

“Trusting that the next time you advertise, we may be in a position to make tender,

“We remain, yours truly,  
(Signed) — HIGGINS & YOUNG.

“THOS. NIXON, Esq.,  
“Winnipeg.”

I mention that because this is one of the principal firms in the city. I had, consequently, only three tenders before me: Thornton & Sutherland's, Andrew Strang's, and W. H. Lyons'. I have explained to you the difference in some articles. For pepper, Sutherland was 26c.; Strang was 28c. Sutherland supplied candles—they were both alike. Mr. Strang supplied biscuits; Sutherland was 8c.; Strang, 7½c. Sutherland supplied bran—Sutherland was \$1.30 per 100 lbs.; Strang, \$1.55.

*By Mr. Mills:—*

860. And those are the tenders you received?—Yes; and reported to the Department.

861. You heard what the witness Scott said in regard to changing the tender. Had you any conversation with Mr. Sutherland at that time in regard to any account which could have misled Mr. Scott?—I had, particularly on the article of bacon. From the letter which I received from the Department, I was anxious to purchase the bacon from Mr. Sutherland, as on examination I found it was better than any in the city. I wanted to be placed in a position with him so that I could purchase that article from him, and we had a conversation in relation thereto.

*By Mr. Macdougall (Elgin):—*

862. Had that conversation any relation to those tenders?—It was before the tenders were opened, but after the advertisement for them had appeared.

863. Could it in any way influence those tenders? It was, you say, in respect to bacon which could not be got in the city?—Oh yes, it could.

864. At that time?—Yes; there was plenty, but I was extremely anxious to buy from Sutherland at that time, because the bacon was not so fat as that in other establishments. The Commissioner of the Mounted Police had complained of the bacon being too fat to use for rations.

*By Mr. Wood:—*

865. You did not buy your bacon there?—No. I was explaining that I had a conversation with Mr. Sutherland, which I honestly think led Scott astray.

*By Mr. Macdougall (Elgin):—*

866. You said you were in the habit when you wanted small supplies, of going to the merchants and trying to make the best bargains you could; and this incident you refer to was carrying out that practice?—Yes; except that in this case I was not going to purchase without opening the tenders.

867. You say you were talking to Mr. Sutherland about bacon, and that Mr. Scott may have been labouring under the misapprehension that you were speaking as to the contents of the tenders, whereas he was mixing up in his mind the fact that you were speaking as to this bacon, and not as to other articles not included in the tender?—Yes.

868. You were in the habit of going to him and others with respect to smaller supplies?—That is correct.

869. And making enquiries to ascertain the best he could do for you?—Yes, Sir.

870. And this occurring so frequently, witness Scott's mind might have been led astray in this matter?—I think so. I might state that a little while previously, I had advertised for tenders for the Department of Public Works. I had received a tender from Mr. Sutherland, and that might have led, probably did lead, to the conversation between us. This is it (tender produced). At that time Higgins & Young received the contract. It was a month before—the 28th April, 1876. I advertised for supplies as follows:—1,000 bushels of oats in sacks; 5,000 lbs. of boneless bacon; 5,000 lbs. of flour; dried apples per lb.; tea, sugar, and beans per lb. The above would be required not later than the 5th of May; every article to be of the best quality. This occurred in the previous month; and Higgins & Young received the contract for this. I had only three tenders given me: Higgins & Young, Mr. Bannatyne and Mr. Lyon. There was a tender for tea and coffee from another gentleman that I did not mention.

*By Mr. Kirkpatrick:—*

871. Who was that?—It is for tea only—H. H. Reynolds, for black tea.

*By Mr. Macdougall (Elgin):—*

872. What is the date of that?—The 27th and 28th April.

873. What year?—1876. A month previous to the tender which we were speaking of. This was not for the Mounted Police understand, it was for the Department of Public Works. Higgins & Young were the lowest, and the contract was awarded to them for the whole amount.

874. Let me ask you if at any time during your transactions with the firm Sutherland & Co., you have adopted towards them a different course of dealing to what you pursued towards others with whom you deal?—Never; I think those documents go to prove that to anyone.

875. Did any personal transactions between you and Mr. Sutherland, or any relationship that may have existed between you, or anything else, induce you to deal with him differently or extend to him any favor that you would not and did not accord to anyone else?—No, Sir.

876. You say that?—I do most positively.

877. Have you directly, or indirectly, towards that firm, or towards any other firm, allowed any other consideration to influence you, except that of the public welfare?—Never, Sir.

878. In the discharge of your duties as purveyor?—Never.

879. Let me put it in another form. In your transactions with the firm, Sutherland & Co., and with other merchants in the North-west, from whom you may purchase in your capacity of purveyor, what motive actuated you in the discharge of your duty? I had only one—to get the goods as low as I could, quality always being taken into consideration.

880. Then is the witness Scott labouring under a mistake when he says, "Nixon ceased trading with Thornton & Sutherland for something over a year?"—Do you mean for the Government or for my private account?

881. "Mr. Sutherland presented Mr. Nixon with a cutter worth about \$120. Mr. Sutherland never told me why this present was made; Mr. Nixon ceased trading with Thornton & Sutherland for something over a year; after this Mr. Sutherland said he thought Mr. Nixon should pay his account and also for the cutter?"—I ceased trading because I could not get my account in order to settle up with Mr. Sutherland.

land; and so soon as I settled, Mrs. Nixon commenced dealing there again, keeping a pass-book, and paying monthly.

882. Why were you so anxious to settle your account?—I wanted to settle my account. I did not want him to labor under a false impression that I was going to give him any advantage over any other merchant.

*By Mr. Wood:—*

883. What was the reason you ceased trading with him, so far as the Government was concerned?—Because his prices were higher, as I showed.

884. Then there is no truth in the statement of Scott, that you brought the tenders into Sutherland's store, and that he altered them in your presence?—There is not.

885. He also stated that the alterations were copied into a letter book, and that the leaf was torn out. Was that done in your presence?—No.

*By Mr. Kirkpatrick:—*

886. What office do you hold in the North-West?—I am purveyor for the Mounted Police, the Canada Pacific Railway, and the Indian Department.

887. Is that all?—No, Sir; I am Assistant Inspector of Penitentiaries.

888. Is that all?—I think that is all.

889. What salaries do you get?—I hope to get more than I am getting, as I think the Department of the Interior owes me my salary. \$1,000 is what I get for the Mounted Police; \$1,000 for the Canada Pacific, and \$250 as Assistant Inspector of Penitentiaries.

890. Is there anything for the Indians?—Not yet. At present it is not decided, but I am instructed that it is to be taken into consideration.

891. What is the total amount of public money that passed through your hands?—I could not answer that question; but it would be a considerably large amount.

892. Cannot you state definitely?—No; when I was asked to come here I was only asked to come in relation to the tenders, and I was to furnish myself with information regarding them. Had I known that the enquiry was to take so wide a range, I might have been able to give you the information.

893. The Public Accounts show a large sum of money for Pacific Railway purposes and for Mounted Police, there is \$198,528 for the Pacific Railway; cannot you tell us what it is for Mounted Police?—Well, I do not think it would be more than—you mean for 1876-7?

894. Yes?—I do not think it would be more than \$30,000; but I speak entirely from memory.

895. How much for the Indian Department?—I should say it would, perhaps, be \$38,000 or \$40,000—that is so far as I am concerned. Perhaps it is more, I may understate the amount. Mr. Mills has just told me that I do understate the amount.

896. What system of auditing these accounts is there? Do you simply send them in with the signatures of the officers receiving the money?—That is one system, but it is not the only one. I purchase nothing for any of the Departments without a requisition from the proper officer. I am moved entirely by other parties in making my purchases.

897. You get requisitions?—Yes, and I purchase nothing, except for the stable of Winnipeg, without a requisition.

898. Is the money put at your credit from time to time?—Yes; but not so that I could use the money for my private purposes.

899. You issue official cheques?—Yes; I issue official cheques, signed by the Assistant Receiver General.

900. And by yourself?—Yes.

*By Mr. Plumb:—*

901. The money is placed at your credit in the Bank?—Rather at the credit of the Bank.

902. Of each Department with which you deal?—Yes.

*By Mr. Kirkpatrick:—*

903. Subject to what?—To my cheque countersigned by the Assistant Receiver General.

904. Each cheque for each separate payment is countersigned for every account?—Each separate cheque is signed and the account is sent with a requisition to the Assistant Receiver General to sign the cheque.

905. How do you pay these Indians wages, for instance? Do you give them cheques? Who certifies to what they have done? Is that in the Canada Pacific Railway accounts (a copy of the Public Accounts was handed to the witness)?—These Indians are men who are working on the Canada Pacific Railway, under the Engineer, and they are paid on the pay lists; cheques are sent out to the Engineers. The Indians are paid by my accountant in my office, if they should happen to come on after the work is completed.

906. They come with the certificate of the Engineers?—Yes, on the pay lists.

*By Mr. Plumb:—*

907. And are paid by separate cheque?—Yes. If a washerwoman washes out my office she is paid in that way. I have no contingences account; never have had any, and do not intend to have any.

908. In regard to these tenders advertised for, have you generally given out the contract without reference to the Department at Ottawa?—Yes; I think I may say I have in connection with the Canada Pacific Railway.

909. You have sole charge of the contracts?—I think so, Sir, for that Department; I have not for the others.

910. What was your answer?—I say that, generally speaking, for the Canada Pacific Railway, I let out the contracts myself, without reference to the Department; I do not for the others.

*By Mr. Kirkpatrick:—*

911. And everything wanted you advertise for? For instance, I noticed that 20,000 Winchester cartridges were advertised the other day in the Winnipeg papers. Is there any manufactory for cartridges in Manitoba, or did you advertise them in the Winnipeg papers only?—Yes; I presume so; but that was done since I left Winnipeg.

912. It seems rather curious that you should advertise for cartridges there, when there are none manufactured. Do the merchants come down to the manufacturers and get them?—There is a merchant there, who does an immense business; few retail men in the Dominion do a larger business than Mr. Ashdown, a hardware merchant there.

913. I see by the Public Accounts for last year that a large amount of money has been paid to Messrs. Bannatyne, & Strang. Is Mr. Strang connected with Mr. Bannatyne in business?—He is his manager.

914. And these payments to Mr. Strang are really payments to Mr. Bannatyne?—I do not know anything about their business relations.

915. All their supplies come from the same store?—Yes.

916. So these payments of \$38,000 last year went to Mr. Bannatyne's store? Who is Mr. McDermott?—I think he is Mr. Bannatyne's father-in-law.

917. He has no store of his own?—Not that I know of.

918. Who conducts the business for him with you in these tenders and contracts?—They are sent to my office and I open them.

919. Do you know who makes up the supplies?—I presume that Mr. Strang writes the tender.

920. And did you inspect the quality of the goods?—Yes.

921. From what store did they come?—From Mr. Bannatyne's store.

922. Have you made any purchases of land from Mr. Bannatyne?—I have purchased from him some Half-breed scrip. I have also bought some land, but not for myself.

923. For whom?—For a Temperance Hall in the City of Winnipeg.

924. Is it used for a Temperance Hall now?—Certainly.

925. Whereabouts is it?—Not far from the Post-office.

926. Was it ever used since you bought it for anything else?—No.

927. Did you buy any other land from him?—Yes; I bought another lot—I had forgotten it for the moment—from Mr. Bannatyne.

928. Another lot; whereabouts is that?—In the rear of Mr. Ashdown's lot.

929. What is it used for?—For a warehouse.

930. A Government warehouse?—Yes.

931. How much did you give for that?—I have not paid for it yet. Mr. Bannatyne held a mortgage on it.

932. How much were you to give for it?—\$1,500.

933. I see you paid Mr. Strang rent to the amount of \$432; for what place is that?—For that place.

934. What rent does the Government pay for it?—\$432 a year.

935. And you bought it for \$1,500?—Yes; but I expended a great deal of money on it afterwards. It was not fit for its purpose when it was bought.

936. How much have you expended on it?—Well, I should say \$400; perhaps more.

937. Why is this rent paid to Mr. Strang?—He holds a lease of the place.

938. Was the rent applied on the purchase money?—In part, and some of it on repairs. I suppose I may call it repairs; it was in an awful state.

939. Who expended the money?—I did; I suppose I may say I did; it was under my directions.

940. Was there any understanding or agreement that it should be rented to the Government, and the purchase money paid by the rent?—I rented it to Mr. Strang, and Mr. Strang made a written offer to the Government, which I submitted to the Department. A storehouse was rented from Mr. McDermott, but it was falling down on our heads, and had to be propped up. I wanted a storehouse for the Canada Pacific, as well as the Mounted Police, and, finding it could be utilized for both departments, I put the stock of both in the place. I have since used it for the Indian Department as well, and an addition was built to put pork in.

941. Then, after you purchased it from Mr. Bannatyne, you leased it to Mr. Strang and Mr. Strang leased it to the Government?—Yes.

942. And the rent you receive from the Government is paying up the purchase money; was not that the agreement?—In part it is.

943. You had not paid anything more than the rent?—No,—On the place do you mean?

944. Yes?—I did; \$500 in money.

945. And the rent is paying the balance?—Yes, and the repairs.

946. I see Mr. Alloway appears in the Public Accounts as doing a large business with the Government?—Yes.

947. For transport?—Yes.

948. He has had a great many contracts, has he?—Yes.

949. Do you always advertise for contracts for transport?—Well, I think I do; I will look and see. Here are the tenders for mail conveyance, and here is the tender dated 25th April, 1876, for transport of Government supplies to Palestine, Shell River, Shoal Lake, Swan River, Qu'Appelle, Carlton, Battle River, Edmonton, Victoria and Lake-St. Anns.

950. He got all these?—Yes.

951. Was his the only tender?—No.

952. Was it the lowest?—It might have been for the whole of the places, but there was one place to which we were sending a considerable amount, and Mr. Alloway's was not the lowest for that place.

953. You had some tenders for transport in the opposite direction?—I have not done with this, if you will permit me. Reid & McFee were the lowest for one place. They were \$6.50 for Battle River, to which I sent a large amount. I wrote to them stating that I proposed awarding them the contract, and here is their letter in reply:—

"WINNIPEG, April 26th, 1876.

"SIR,—Owing to the uncertainty in the amount of freight, we beg to withdraw our tender for transport to Battle River.

"We remain, your obedient servants,

(Signed) REID & MCFEE.

"THOMAS NIXON,

"Winnipeg."

Mr. Alloway was lower than the others, except Mr. Doupe, and Mr. Doupe could not find me any security. The tenders were submitted to the Secretary of State, and I was instructed by the Government to give the contract to Mr. Alloway, which I did. For the year 1875, I think, Mr. McKay was the lowest, and the contract was awarded to him. In 1877 I advertised for tenders for the Canadian Pacific, and I only received one. This is it (produced). It is dated the 14th May, 1877, and the man asks me \$12.50 for 110 miles, and \$11.50 for 120 miles.

"WINNIPEG, 14th May, 1877.

"SIR,—I will contract to freight supplies from Winnipeg to the different stations on Sections 14 and 15 Canadian Pacific Railway for a period of six months, at the following rate per 100 pounds:

To Beausejour .....	at \$ 0.75
" Shelby .....	1.25
" Whitemouth .....	2.25
" Rat Portage .....	4.00
" Ostersund .....	9.00
" Lake Deception .....	10.00
" Kalurar .....	10.50
" Ingolf .....	11.50
" Telford .....	11.50
" Rennie .....	12.50

"Messrs. Peter Sutherland and R. D. Bathgate, are willing to become security for fulfilment of the contract should the above tender be accepted.

(Signed)

"JNO. A. ROWANDS."

By Mr. McGregor:—

954. What do you mean by \$12.50?—\$12.50 per 100 lbs. for transportation.

955. What is the distance there?—About 100 miles.

By Mr. Kirkpatrick:—

956. Had you any tenders for transport to the North-west Angle?—I think so, Sir. No; I do not see, at the present moment, any for the North-west Angle.

957. Mr. Alloway has done some work there?—He has.

958. Does he get any contracts without advertising?—He does—some.

959. He gets a good deal of work, does he not?—Yes; he does.

960. Is he your landlord?—He is, Sir.

961. What rent do you pay him?—I did pay him \$50 per month; I now pay \$40 per month, because rents are lower in Winnipeg. I am in the same house still.

962. I see the Government pay him something for rent—do you not rent an engineer's house from him?—Not now.



963. How much did you pay for that?—The Commissioner of Mounted Police rented a house from him for \$720 per annum.

964. For how long?—For twelve months, I think. Rents were higher then. I think he has rented that house which the engineer had for \$600 per annum. It is now rented to Mr. Luxton of the *Free Press*.

965. It is a smaller house than the one you have?—They are both the same size.

966. So that you live at one rental, and the Government were paying a much larger rental?—That was before I went there.

967. Were they not paying \$600 while you were there?—Yes, they were. Mr. Alloway does not own the house next to me.

968. Who is this C. V. Alloway?—He is a gentleman who lives in Montreal.

969. What is the contractor's name?—W. F. Alloway.

970. And this C. V. Alloway is a gentleman in Montreal?—Yes, Sir.

971. Then W. F. Alloway did not own the house that was rented to the Government?—No, Sir; the Government never rented a house from him.

*By Mr. Mills:—*

972. You say that the lowest tender you got was \$12.50, and you declined to accept it; what did you pay Mr. Alloway?—He did not take the goods there. He took part of the goods as far as the North-west Angle, and then I had my Supply Agent and a party of Indians to distribute them at the respective houses on the line of the Canadian Pacific Railway.

973. What did it cost you?—I think I made a calculation some five or six months, when I settled with Mr. Whitehead, when I thought he was charging me too much, and to the best of my recollection the charge was \$8.

974. That was \$4.50 less than the tender you spoke of?—Yes, Sir.

*By Mr. Kirkpatrick:—*

975. What did you pay Mr. Alloway to the North-west Angle?—As well as I can recollect, 2c. a pound.

976. Had you any tender to do that at a lower rate?—Not that I remember.

977. Last June?—I do not remember of any being at a lower rate to the North-West Angle than what I paid Mr. Alloway.

978. Have you all the tenders there?—I think so.

979. Will you see if you have a tender offering to do the work for \$1.75—I do not find any tenders of that nature here at all, Sir.

980. This Mr. Bannatyne whom you have mentioned, is the member for Provencher?—Yes, Sir; I believe he is.

981. Were the Government aware that you were buying supplies from him?—No, Sir.

982. They were not?—Not that I know of—if you mean that I told the Government.

*By Mr. Wood:—*

983. Did you make the Government aware?—Certainly not.

*By Mr. Kirkpatrick:—*

984. You did not inform the Government?—I did not.

*By Mr. Cartwright:—*

985. Mr. Kirkpatrick was enquiring about a certain warehouse, or lot on which a warehouse stood, which you bought from Mr. Bannatyne; what date was that purchase made?—I do not remember the date exactly, but it was made shortly after I arrived in Winnipeg.

986. When was that?—In 1875, immediately after I arrived there. I do not think I was three weeks in the city when I made the purchase. That building was not then rented to the Government.

987. Do you happen to know, or can you inform the Committee of your own knowledge, what the average rate of interest in Winnipeg is at present?—I should say about 15½ to 17 per cent., but when I went there it was a very great deal more.

988. What was it when you went there?—24 per cent. The banks charged 12, except on what they termed gilt-edged paper.

*By Mr. Kirkpatrick:—*

989. When you made this purchase you paid \$500 down?—I did.

990. And the balance paid on time?—Yes, Sir.

991. What was the rate of interest on the balance?—I think I gave six per cent. I would not buy except on those conditions; that was distinctly understood. You remember that I went to the city with my opinions about six per cent. interest on land.

992. What is the size of the lot?—116 feet in front by about 124 feet. It is three cornered or nearly so, I should say.

*By Mr. McGregor:—*

993. How long was this before you were buying for the Government?—A considerable time. We were paying McDermott for a building that was so bad we had to prop it up. I did not get it until I was appointed Purveyor for the Canadian Pacific Railway.

*By Mr. Kirkpatrick:—*

994. Did you rent it to the Government immediately afterwards?—No, Sir.

995. How long afterwards?—Some months.

996. How many?—I suppose six or seven.

997. During the time the repairs were going on?—No, Sir.

*By Mr. Bowell:—*

998. What time in 1875 did you buy it?—I presume three weeks after I got to the city.

999. Can you give the date?—No, Sir.

1000. When did you arrive in Winnipeg?—The second day of October.

1001. And you think you bought it five weeks after that?—Three weeks.

1002. Sometime in November—would that be right?—No; I think October.

*By Mr. Plumb:—*

1003. Mr. Kirkpatrick asked you just now whether you were dealing with Mr. Bannatyne, and whether he was the member of Parliament; and you stated you were dealing with him and you were aware of that?—Yes, Sir.

1004. He asked you whether the Government were aware that you were dealing with Mr. Bannatyne, and you said: No, I think—rather this—that I did not inform the Government.

1005. How long have you been dealing with Mr. Bannatyne?—Three and a half years, on and off.

1006. You have rendered constant account of your dealings with Mr. Bannatyne, which showed you were dealing with him to the Government?—When I made purchases from Mr. Bannatyne, he rendered his accounts to me, which I certified, and sent them on to the Assistant Receiver-General, and I paid him by cheque.

1007. And those accounts came here?—Certainly.

1008. And the Government have had notice from those accounts that you were dealing with Mr. Bannatyne?—I did not notify them.

1009. You are certainly prepared to say that you sent the accounts down?—Certainly I sent the accounts down.

*By Mr. McGregor:—*

1010. Did you at any time pay Mr. Bannatyne more for his things than anybody else, because he was a member of Parliament?—No: those documents prove that.

THOMAS NIXON.

RAILWAY COMMITTEE ROOM,  
WEDNESDAY, 17th April, 1878.

Committee met—Mr. Young in the Chair.

Mr. NIXON called and further examined:

*By Mr. Plumb:*

1011. I think at the close of your examination on the last day of meeting there were some questions put to you about your dealings with Mr. Bannatyne; and you were asked whether the Government had information that the Mr. Bannatyne you were dealing with was Mr. Bannatyne, the member for Provencher. You stated that the accounts were forwarded in regular course, and of course they must have come under the supervision of the Government. Were you ever instructed or warned by the Government that Mr. Bannatyne was a member of Parliament, and that dealing with him was not in conformity with the law which prevents dealings of that kind?—I never had any such notice.

*By Mr. Kirkpatrick:*

1012. About this storehouse. When I questioned you before you said that the amount of \$400 was expended in repairs in addition to the \$1,500?—Yes.

1013. You bought the place for \$1,500, and paid \$500 cash?—Yes.

1014. And paid out money for repairs?—I did, Sir.

1015. Then you laid out altogether \$900?—Yes; \$900.

1016. \$900 in money, and a mortgage for \$1,000?—Yes.

1017. A mortgage at six per cent.?—Yes.

1018. How long after you purchased it did you lease it to Mr. Strang?—In May 1875.

1019. You leased it then?—Yes.

1020. When you leased it to Mr. Strang, had you then any intention of getting it leased by the Government?—I had. I will explain why, if you will permit me. When I was purveyor for the Canada Pacific Railway we tried to utilize the storehouse which we had. A large amount of material came into my hands from a survey party who had returned, and I was then purchasing about \$10,000 or \$15,000 worth of goods for the parties going out west and we put the goods there. Things had got into confusion, these goods having got mixed with those for the Mounted Police. I tried to rent the only place available, which was owned by Mr. McKenna, and for which he asked me \$60 a month.

1021. That was the reason you leased the place to Mr. Strang, knowing that he would lease it again to the Government?—Yes, and I then gave up the other storehouse, and the Mounted Police stores we put in this one.

1022. I have nothing to do with that?—But I have, and if you will permit me, I would say that I put all the goods of the departments into the one building, so that the Government had only the rent of one building to pay. As I explained before, when I was appointed under the Indian Department, the goods for that Department were also placed there without any further rent having to be paid. I was desirous of getting the goods of the three Departments into one building so that I might not only save the rent of additional storehouses, but so that the Government would have to pay for only one storeman instead of three. These were the sole reasons.

1023. You wished to get the Government goods stored in your own storehouse?—I wished to get the work done as low as possible, and I wished to avoid paying \$720 for one building.

1024. You wished to get the goods into your own storehouse?—That may be so. I have explained the reasons.

1025. Is it not so?—I own the building, certainly—at least I will if I pay for it.

1026. Will you explain why you went in that roundabout way to get the storehouse leased to the Government. Why did not you do it directly?—Because I did not want to appear in it directly.

1027. Has Mr. Alloway ever paid you any commissions?—Never, Sir.

1028. Has he ever made you any presents?—He has made me no presents, nor has he given me any commission.

1029. Directly or indirectly?—No. I could show from documents that he received the contracts from the Secretary of State, and always, and only always, when he was lower than anyone else. I read the contract the other day for 1876. In 1875 we did the work ourselves, that is with the Government teams. Last year (1877) Mr. Alloway forwarded me the following letter:—

WINNIPEG, 21st February, 1877.

Sir,—I beg leave to offer to transport all the supplies you may have to send West, and to the following places at the rate set opposite the name of each place, respectively:—

Beautiful Plains.....	\$1 87½	per 100 lbs.
Little Saskatchewan.....	2 50	do
Shoal Lake.....	2 65	do
Fort Ellice.....	3 00	do
Shell River.....	3 00	do
Swan River.....	3 75	do
Qu'Appelle.....	4 25	do
Touchwood Hills.....	4 25	do
Carlton.....	6 25	do
Battle River.....	7 00	do
Victoria.....	11 00	do
Edmonton.....	12 00	do
Cypress Hills.....	9 00	do

The date of shipment at the above rates as far West as Swan River and Qu'Appelle, to commence on 1st May and end on 15th October, 1877; West of Swan River and Qu'Appelle, including Cypress Hills, to commence on same date, and end on 5th September, 1877.

Former experience has taught me that freight cannot be shipped with any assurance of safe delivery after about 5th September, on account of our early winter, which sometimes necessitates the leaving of perhaps important freight a considerable distance short of its destination; thus very much inconveniencing not only the shipper but also the Government.

I have the honor to be, Sir,

Your obedient servant.

(Signed) W. F. ALLOWAY.

To THOMAS NIXON, Esq.,  
Purveyor, N.-W.M.P., &c.

By Mr. Cartwright:

1030. Are these rates for the long or the short hundred-weight—100 lbs., or 112½—100 lbs. I then wrote to the Department of the Secretary of State the following letter, dated February 21st, 1877:—

WINNIPEG, 21st February, 1877.

Sir,—I have the honor to forward an offer from Mr. W. F. Alloway, for the performance of the transport for the present year.

In some cases he has, I observe, shaded his prices a little below that of last year.

The work was performed by Mr. Alloway to my entire satisfaction, and, I think the offer now made is as low as any responsible person can perform the work for.

It is desirable that I should know at as early a day as convenient, whether I am to enter into a contract with Alloway or advertise for tenders.

I have the honor to be, Sir,

Your obedient servant,

(Signed) THOMAS NIXON.

Hon. R. W. SCOTT,  
Secretary of State.

I received the following reply:—

DEPARTMENT OF THE SECRETARY OF STATE,  
OTTAWA, 20th June, 1877.

SIR,—I have the honor to inform you that the Secretary of State has to-day approved of the tender of Mr. W. F. Alloway, dated 21st February, 1877, and forwarded with your letter of the same date, for the transport of Police stores from Winnipeg to the several Posts in the west for the present season.

I have written to you to-day with reference to certain supplies to be forwarded, and will communicate with you in the course of a few days with reference to transport to Cypress Hills.

I have, &c.,

(Signed)

FREDERICK WHITE,

T. NIXON, Esq.,

Winnipeg.

You will see by these letters that Mr. Alloway did not receive contracts so far as the North-West is concerned, without instructions from the Department.

1031. Now you have read a number of long documents about these things; did you not get work done by him without advertising for tenders?—I did.

1032. He used to send out supplies with teams and charge so much a team per day?—That is correct.

1033. No advertisements for those?—No.

1034. Were the amounts large?—Yes; because I was asked for teams nearly daily by the engineers on the Canada Pacific Railway, and I could not advertise in such cases.

1035. What check did you keep as to the number of days?—I knew that by the engineers.

1036. Did Mr. Alloway keep a livery stable?—No.

1037. He went to the livery stables himself and hired the teams?—He did; I tried to hire them myself, but found I had to pay much more than I could get Mr. Alloway to do it for.

1038. So you employed him to get the teams to go out?—If you will allow me:—On one occasion when Mr. Alloway was away from home I wanted a team for Mr. Lucas and a messenger to go with it, and I found I would have to pay \$8 a day for a team to go out west, and I had to find the vehicle; whereas, if he had been at home, I could have got the horses and the vehicle for \$7.50 per day. That was the highest I would have had to pay; and I could have got the heavy vehicle for \$1 a day.

1039. What check did you keep of the number of days he was out, and the time of the team?—I knew by the receipts. I sent out freight by those teams, and I received the freight bills back again receipted by the engineer, with the date when the goods would arrive at their respective houses. There are nine or ten houses to, which I had to send goods, and the engineer of house No. 1, or No. 2, or No. 5, as the case might be, would send in a requisition for a certain quantity of goods, and I had to forward them immediately.

1039a. But what check had you on the time he was out; suppose he charged you for 12 days of his team, what check had you upon that charge—how did you know he was out 12 days?—I had no other check than what I have told you.

1040. The team had to go out to its destination and back again; what check had you upon the time actually required for the service?—As I stated before, I had the receipts of the engineers.

By Mr. Dymond:

1041. Were the receipts dated?—Certainly; I could tell by the dates the time required. If you will look over the accounts you will see that in one case I took off over \$60 for over-charges.

1042. Then he did over-charge?—Yes. He stated that he had a right to the charge owing to the bad state of the roads at the time, but of course I had nothing to do with that, though I believe the roads were unusually bad. The distance to the North-West Angle and back is 220 miles; there is no engineer's house at that point, but the goods had to be put in the Government storehouse in order to await the arrival of the Indians to take them across to Lake Deception, Keewatin and Oster-sund from the North-West Angle. Seven days was the time we allowed him for that trip.

1043. That is just what I wanted to know—whether you had any scale of distances. You did not allow him to charge as he pleased?—I certainly did not.

*By Mr. Cartwright :*

1044. Did you say that the distance to the North-West Angle was 220 miles?—No; I meant that was the distance there and back.

*By Mr. Kirkpatrick :*

1045. You also employed him to buy horses?—Yes; that is his business.

1046. Did he charge what price he liked, or did you pay him a commission, or how?—No; I paid him no commission. He was paid under the direction of the engineer who wanted the horses. I did not see the horses; the engineer did.

1047. How did you pay Mr. Alloway for his trouble?—I paid the accounts that were brought in.

1048. Then you did not know the number of the horses and the details of each horses price, and so on?—I remember he had Mr. Lucas with him on one occasion, and of course he knew about the prices and the time.

1049. Who is Mr. Lucas?—The engineer in charge of the party.

1050. Was that the only occasion?—There might have been one or two others. I had him with me once or twice. I paid him no commission.

1051. But you do not know whether he received his commission in the prices he charged the Government?—I suppose he did.

1052. Do you know whether Mr. Doupe ever tendered for transport?—I do, Sir; I read his tender yesterday. I think he sent in but one tender.

1053. Was that at a cheaper rate than Mr. Alloway's?—It was. I notified Mr. Doupe that I would offer him the contract.

1054. Did he give security?—No; he did not bring security. I waited for him to do so. The tender is here (producing the tender).

1055. Did Mr. Alloway give security?—I will look and see. I know he did give security.

1056. On that occasion?—No; not on that occasion.

1057. He did not?—No; neither did Mr. Bannatyne, nor Thornton and Sutherland.

1058. Then, why was Mr. Doupe required to give security?—Because he was not in the business; because I had never dealt with him, and I did not know whether he could—

1059. Because you did not want to give him the contract?—I beg pardon. I am under oath, and I state that I asked him for his securities.

1060. Was that the reason—because you did not want to give him the contract?—I told you yesterday—

1061. I ask you the question?—It was not, Sir.

1062. What is Mr. Doupe's occupation?—I do not know Mr. Doupe, Sir.

1063. You do not know him?—No, Sir.

1064. Not at all; did you know his character?—No, Sir; I did not know his business. I knew nothing about him.

1065. Do you know that he is a surveyor or an engineer?—No, Sir; I know nothing about Mr. Doupe or his business.

1066. Did you write him telling him to give security?—No, Sir; I sent for him.

1067. You sent for him?—I did.

1068. You saw him?—I saw him.

1069. What conversation passed between you?—I told him I wanted him to give me the names of his sureties for the performance of the contract.

1070. And he did not do it?—I did not hear from him at the time.

1071. Did you hear from him afterwards?—I never did. I did not hear from him at all.

1072. Did you give out a contract for freighting across Lake Manitoba?—I did, Sir.

1073. To whom?—To Messrs. McMicken & Taylor.

1074. At what rate?—I can tell you, Sir, what point from Lake Manitoba. I have in my hand the tenders received for those places. Oh! I find I have not Lake Manitoba on this.

1075. What is the point from Lake Manitoba; there is a Hudson Bay post there, is there not?—(No answer).

1076. Well, I will ask you another question. Did Clark, the Hudson Bay Company's trader there, offer to do the transporting across the lake at 50 cents per 100 lbs., and did you give out the contract to another person at \$1?—I do not remember anything of that kind. I sent no goods from Winnipeg to Lake Manitoba at that time at all.

1077. At any time?—No, Sir.

1078. You do not remember giving out any contract for transport there?—Other than this, for Indian supplies, which I was going to read.

1079. Well, read?—I advertised for the sending away of Indian supplies, and the names of the tenderers were: Abraham Quay, Vaughan Young, W. F. Alloway, Wm. R. Sinclair, McMicken & Taylor and Wm. S. Gibbons.

The places which I advertised for were: Fort Ellice, Fort Pelly, Qu'Appelle, Duck Bay, Touchwood Hills, Prince Albert, Fort Carleton, Fort Pitt, Battle River, Shoal River, Victoria, Edmonton, Rosseau River, Long Plain, St. Peters, Fort Alexander, Dog Head, Grand Rapids, The Pas, Norway House, Behrins River, Little Saskatchewan, Fairfield, Ebb and Flow, Riding Mountain House, North-West Angle, Rat Portage, Islington, English River, Swan Lake, Sandy Bay, Broken Head, Black River, Lake St. Martin, Water Hen River, Dog Creek, Shoal Lake (East), Fort Francis, Lac Seul.

"Abraham Quay refusing to accept for points for which he was the lowest, the whole contract was therefore awarded to McMicken & Taylor, who were found to be lowest on the whole.

(Signed)

THOMAS NIXON."

1080. Then you do not remember giving a contract at any time for transport across Lake Manitoba?—I do not remember giving any contract for taking supplies across Lake Manitoba. I did bring a few supplies from Lake Manitoba, after having sold to the Hudson Bay Company all the flour that was in the store, and that contract was given to Mr. McKay, as well as I can recollect. It was some years ago.

1081. What did you pay him?—I do not remember.

1082. Do you know Mr. Clark, a Hudson Bay Company's trader?—I know Mr. Clark.

1083. Where does he live?—I am not quite sure.

1084. Did he ever tender?—No, Sir.

1085. Did he make any offer?—I cannot remember; he may have made me an offer. As near as I remember, those supplies which I spoke about were placed in the Hudson Bay Company's store by the engineers after they were done surveying. The largest amount of those supplies were flour, and that was all sold to the Hudson Bay Company.

1086. Then, you may have made a contract for bringing that across Lake Manitoba?—But I did not bring it.

1087. Did you bring any other thing across?—I did—the balance, which was not much.

1088. Did he make any offer to bring that?—I do not remember.

1089. Do you remember what you paid for bringing it?—I do not remember. I think it was Mr. McKay who brought it.

1090. Then it may be correct that Mr. Clark offered to do that for 50 cents?—It may be; but among all the miscellaneous papers which my accountant has put up, I do not find any such tender.

*By Mr. Macdougall (Elgin):*

1091. Have you any recollection of any such tender?—I have not.

*By Mr. Kirkpatrick:*

1092. There was no formal contract entered into?—There was not. There was not much to bring after the flour was sold.

*By Mr. Wood:*

1093. How much was there to bring?—About a cartload—a thousand pounds.

*By Mr. Kirkpatrick:*

1094. Have you the giving out of contracts for beef? I have.

1095. For the Mounted Police?—No, Sir, for the Indians.

1096. Do you supply them with beef?—Yes, Sir.

1097. Do you know Captain Moore at Prince Albert Mission?—I do, Sir.

1098. Did he ever offer to supply you with beef for the police?—No, Sir.

1099. He made no offer?—He may have made an offer to the officer at Battleford, but not to me.

1100. Did he ever come to you?—No, Sir.

1101. You are certain he never made any offer to you?—I do not remember any offer to me by Captain Moore, and I think if he had made one I should have remembered, because I know him.

1102. And you remember no offer from him to supply the Mounted Police in the vicinity where he is living, with beef?—It will settle this question at once if I say to you that I do not purchase any beef for the Mounted Police out there, and of course I do not know anything about it.

*By Mr. Cartwright:*

1103. What special locality is that?—Prince Albert Mission; it is in the neighborhood of Battleford.

*By Mr. Kirkpatrick:*

1104. Who purchased for that locality?—I do not know, Sir.

1105. Would it be the officer in charge of the police?—I presume it would.

1106. It did not come under your cognizance?—No, Sir.

1107. Did you pay the bill?—I did not pay the bill.

1108. Then are there two paymasters for those supplies to the police?—I do not know whether there was any bought there or not.

1109. Did not you say you bought some for them?—I supply them with bacon.

1110. Do not the police get beef there?—I believe they have beef. They have cattle which they feed themselves.

1111. But are the police at Battleford supplied with beef?—I do not know, Sir.

1112. Would it not be in the course of your duty to know whether they were supplied with beef?—I do not know whether it would or not.

1113. Have you the paying provision of the force?—I have not, Sir.

1114. Who is the other person who has the provisioning?—It is done from the Department, at least, I presume so.

1115. Then you have only the provision for part of the police?—That is all.

1116. Then you are purveyor to part of the police?—Yes; I suppose so.

1117. And you mean the Department here in Ottawa pays the other?—Yes;

Sir.



1118. What rate used you to pay for beef for the Indians and Mounted Police?—12½ cents was the contract price for the Indians.

1119. When?—Last May and June.

1120. What was the rate paid before then?—I never bought any before for the Indians.

1121. Did you buy any for the Mounted Police before then?—I do not remember just at the moment what I paid Mr. McKay, but I think it was 10 cents at Swan River for the Mounted Police.

1122. Was that 10 cents for live weight?—No, Sir; dressed weight.

1123. You have said you never bought any for the Mounted Police in the Battleford Division?—Yes; I was speaking of Battleford.

1124. Did you buy any at Shoal Lake?—Yes, Sir; and Swan River. It was only last winter, I think, that I bought for those points.

1125. Had you any further tenders for the supply of beef?—For the Indians do you mean?

1126. Yes?—I had. I had one from the Hudson Bay Company, I think, at 12½ cents a pound, dressed beef.

1127. When was that?—At the same time.

1128. Was that the only tender?—Directly, it was the only tender. I now come to a tender which may be regarded as none, and I will have to trespass a little on the time of the Committee while I read and explain it. I received this document:—

MANITOBA SUPERINTENDENCY,  
WINNIPEG, 2nd May, 1877.

SIR,—I have the honor to send you enclosed a letter of the Deputy of the Minister of the Interior, enclosing copy of two letters of Mr. DeMers, with regard to the supply of beef and cattle during next summer.

Also a letter of Mr. James Graham of Prince Albert on the same subject.

I am, Sir,

Your obedient servant,

(Signed)

J. A. N. PROVENCHER.

Acting Superintendent.

THOMAS NIXON, Esq.,  
Purveyor, Winnipeg.

This is the letter referred to at Ottawa:—

OTTAWA, 12th October, 1876.

SIR,—I enclose for your information and evidence in the matter, copy of a letter from Mr. T. Y. DeMers, tendering for the supply of cattle, live or dressed, for the use of the Indians in Manitoba and the North-West Territories; also copy of a subsequent letter from that gentleman on the same subject; and have to request that you will notify Mr. DeMers when the next supply of cattle will be required, in order that he may have an opportunity of competing with other tenderers.

Mr. DeMers' address in Manitoba is Winnipeg.

I am, Sir, your obedient servant,

(Signed)

E. A. MEREDITH,

Deputy Minister of the Interior.

Lt.-Col. J. A. N. PROVENCHER,  
Acting Indian Superintendent, Winnipeg,  
Manitoba.

Here is what purports to be a tender:—

RUSSELL HOUSE,  
OTTAWA, 3rd October, 1876.

SIR,—I beg to tender for the supply of cattle, either live or dressed weight, to the Indians in the Province of Manitoba and the North-West Territories, which has or may be decided by the Department of the Interior—

1st. I will undertake to deliver cattle, dressed weight, in any quantity and at any one given point south of Edmonton at seven cents per lb., or  $3\frac{7}{8}$  cents live weight, the duty being paid by myself, on the condition that the quantity to be supplied and the place of delivery shall be made known to me on or before the 1st day of March, 1877.

2nd. I will undertake to deliver, in the course of the summer, first-class stock cattle (Durham breed), such as milch cows, bulls and working oxen, at the following places for the figure opposite each respective place, to wit:—

At Edmonton, for 4 cents per lb., live weight.

At Battle River, for  $4\frac{1}{2}$  cents per lb. do

At Pitt, for 5 cents per lb., live weight.

At McLeod, for  $3\frac{1}{2}$  cents per lb. do

At Qu'Appelle, for 7 cents per lb. do

At Winnipeg, for 8 cents do do

I beg respectfully to call your attention to the fact that in most cases cattle shipped for the butcher shops can be sold at a figure below the price obtained for cattle selected for stocking a farm, in which case the breed, the age, the soundness and the working quality are exclusively taken into consideration. The above schedule is made in that view. Although my residence is at present in Montana, where I own large herds of cattle, I am a Canadian by birth and a British subject; and I have already taken steps to invest largely in Manitoba, which will become my home at no distant period.

If requested, I can furnish good and sufficient security for the fulfilment of any contract. A letter from the Department directed to me at the Russell House in this city will reach me at any time, and I would feel extremely obliged if my present tender would receive an early and favorable consideration at your hand.

I have the honor to be, Sir,

Your very obedient servant.

(Signed) T. Y. DEMERS.

To the Hon. D. LAIRD,  
Minister of the Interior,  
Ottawa.

Here is also another:—

RUSSELL HOUSE,  
OTTAWA, 9th October, 1876.

SIR,—With reference to your communication of the 6th instant, I beg leave to inform the Department of the Interior that my address in Manitoba is at Winnipeg Post Office; permit me, Sir, to remind you respectfully that my offer to supply cattle, live or dressed, for the Indians of the North-West Territories, as I understand those in Manitoba have already or are having all their supply given to them.

I have the honor to be, Sir,

Your very obedient servant,

(Signed) T. Y. DEMERS.

The Honorable D. LAIRD,  
Minister of the Interior, Ottawa.

Though I regarded this, or tried to regard it, as a tender, I use the word "indirect" because I did not receive it for two months after Mr. DeMers said he must know about it. He was not in Winnipeg, but he purported to have an agent there to whom I sent. I had only two other tenders; that of Mr. McKay at 12½c., and that of the Hudson Bay Company at 12½c., and I was anxious to get the beef at as low a rate as possible—lower than 12½c. if I could. I sent for the Hon. Joseph Royal and Mr. Gouin, and they told me they thought that Mr. DeMers could supply the beef at 8c. per pound. You will observe that he only offers to send the beef to one of the places at which I wanted it, namely, Edmonton. I wanted no beef south of that; all the points to which I had to send it were east of that—onward towards Winnipeg. I asked Mr. Gouin where Mr. De Mers was, and he said he was in Montana. I asked him how soon could a telegram reach him, and he replied four days. I said I thought two days was sufficient; that I would give him that time, and that he could telegraph. He said he lived twenty-five miles from the telegraph office. I replied that even then two days were enough. Mr. Royal telegraphed to him, but when the time was up he came to me and said he had not heard from him. I gave him two days longer and still he was not heard from, and so on until fourteen days had elapsed. I then drove out—it was on the Queen's Birthday I remember—to Hon. James McKay, and gave the contract to him at 12½c.

1129. I will read you Mr. DeMers story. Here is the letter he addressed to the Department of the Interior:

(Memorandum.)

WINNIPEG, MANITOBA, 31st August, 1877.

The facts are briefly these:—I went to Ottawa in October last, and while there wrote the Minister of the Interior, offering to furnish beef at such places and in such quantity in the North-West Territory as the Government would require during the summer of 1877, at the price of eight cents per pound. I received no answer at that time to this letter, but the Hon. Letellier de St. Just, in speaking of it to me informed me that he would strongly recommend the acceptance of my tender, on account of the very low price, and was sure that I would get it.

In the Winnipeg papers tenders were afterwards asked for the supply of beef and other articles in the North-West, by Thomas Nixon, Esq., to be put in by the 10th of May, 1877. I am given to understand that my tender of eight cents per pound was sent by the Department to J. A. N. Provencher, Esq., Indian Commissioner, who gave it to Mr. Nixon about ten days before the opening of the tenders called for by the advertisement. On the day of the opening of the tenders, Mr. Nixon, not knowing my address, asked Mr. Gouin of this place to telegraph me that my tender, being the lowest, was accepted. This, Mr. Gouin did in the telegram, a copy of which is appended, exhibit A. I received Mr. Gouin's telegram on the 21st of May, and at once sent to the telegraph office, distant one hundred and twenty-five miles, the telegraphic answer herewith, a copy of which is appended as exhibit B.

On receipt of my telegram on the 26th of May, Mr. Gouin saw Mr. Nixon and informed him that I had accepted the contract, and had made provisions for so doing. Mr. Nixon informed Mr. Gouin that he was two days too late, and that the contract was given to other parties. Mr. Gouin telegraphed this statement of Mr. Nixon's to me, but as I live one hundred and twenty-five miles from the boundary line, I did not receive any notice till my cattle had already started and were across the boundary line.

I am also informed by Mr. Gouin that the day before the contract was awarded by Mr. Nixon to Mr. McKay, that he called upon Mr. Gouin and informed him that he could wait no longer, and would award the contract elsewhere. Whereupon Mr. Gouin showed Mr. Nixon a letter written by me some time before, stating that as I felt sure of my tender being the lowest, I had already made every arrangement, and that some of my cattle had started. Mr. Nixon refused to wait, and Mr. McKay got the contract at fifty-five per cent. over my tender, making a difference in cost to the Government of nearly six thousand dollars.

The consequences to me of the above facts have been that I have suffered serious loss, and as it seems to me so inexplicable that the Government should pay 12½ cents when they could get beef at eight cents per pound, and Mr. Nixon's conduct has been so peculiar in the matter throughout, that I feel compelled to respectfully ask that you will cause an investigation to be made into the circumstances of the case, in which event, though I desire and have intended to leave here in a few days, I will remain and be prepared to substantiate all that I have herein stated.

I may also state that upon my arrival here I waited upon Mr. Nixon and reproaching him for his action, he assured me that if I would hold my tongue, there were other contracts to be given, and he would see that my cattle were still taken.

I beg respectfully to remain, Sir,

Your humble servant,

T. Y. DEMERS.

(Copy.)

WINNIPEG, 12th May, 1877.

Your tender for dressed beef, made October last, Ottawa, accepted to-day. Will you still fill contract. Quantity required: hundred and thirty thousand pounds, delivered from July to September, at different posts North-West. Draft thousand dollars sent to-day. Answer immediately.

(Signed) W. F. GOUIN.

T. Y. DEMERS, Esq.,

Frenchtown, Misjoula Co.,  
Montana Territory, U.S.

(Copy.)

NORTH-WESTERN TELEGRAPH CO.,

Dated, DEER LODGE, MONTANA, 25th May, 1877.

Will fill contract. Write C. Allard at Cassil Lake to leave cattle required there for at the proper place. Himself will soon start.

(Signed) T. Y. DEMERS,

Via Helena.

1130. Now, Mr. Nixon, when you called on Mr. Gouin, did he show you a letter written by Mr. DeMers, that he felt sure his tender would be accepted?—I will read you Mr. Gouin's letter:—

WINNIPEG, 20th August.

DEAR SIR,—I have to acknowledge the receipt of your letter of the 15th inst., relative to a contract said to have been awarded to Mr. T. Y. DeMers, and to state in reply what I knew in the matter.

1st. That on receipt of a letter from Mr. Demers, received here on the 8th May, asking me to ascertain whether or not he could get the contract to supply beef, I immediately called on you and had a conversation on the subject; I told you that I would see the Hon. Jos. Royal, and that likely, as some business transactions were pending between them, he (Mr. Royal), would have no objections to become surety and arrange matters with you for Mr. DeMers.

2nd. I do recollect of your saying to me that you would accept of Mr. DeMers' tender, and asking the Hon. Mr. Royal and myself to telegraph Mr. DeMers if he would fill said contract. I did so.

3rd. I recollect having stated to you that, from enquiries made, I was informed that the distance from the telegraph office to Frenchtown, where Mr. DeMers resides,

was about twenty-five miles, and that if Mr. DeMers was at home, there was a possibility of getting his answer in three or four days.

4th. To my knowledge you waited some twelve or fourteen days for an answer from Mr. DeMers, and I recollect of having then stated to you that I thought the reason why such answer was not received was that Mr. DeMers could not be at home, or was on his way to Winnipeg.

5th. I recollect having stated to Mr. DeMers on his arrival here, that he was to blame for not answering sooner, and that it was unfortunate he had lost the contract in neglecting to reply in time. He then informed me that he could not have done so sooner, as the distance from his place to the telegraph office was 125 miles.

6th. I have no knowledge that Mr. DeMers had sent a messenger to distribute his cattle further than what I understood from himself that he had done so. From a letter received from him dated 21st April, he stated that he had started his herd of cattle and horses, and he intended to drive them by way of Qu'Appelle Lake.

7th. To your seventh query, I might say that in private conversation with the Hon. James McKay, I told him that Mr. DeMers had started his cattle, and that they were on their way here; and that if he wanted cattle to fill his contract he could buy them from Mr. DeMers at a reasonable rate, and also would save him the trouble and expense to drive cattle from here; of course, I could not tell him then in what part of the territory the cattle were.

8th. I have no personal knowledge of any money having been paid or received by anyone to set aside Mr. DeMers' tender.

The above answer will equally apply to your last query.

In conclusion I would state that my connection with Mr. DeMers in this matter was purely under obligations to him as a friend and acquaintance, and nothing else.

Your obedient servant,  
(Signed) W. F. GOVIN.

THOS. NIXON, Esq.,  
Winnipeg.

You will observe that I had no tender from Mr. DeMers at eight cents—no tender for the supply of beef, good, bad, or indifferent, for any point east of Edmonton, and I wanted it nowhere else. The original of this letter is in the Department of the Interior.

1131. He speaks then of having a letter from Mr. DeMers, dated 21st of April? —He does.

1132. Did he show you that letter?—I do not think he did; but that is a point upon which I would not be positive.

1133. Then you don't know whether he told you the cattle were to be delivered at unsuitable places?—It is stated in the letter which has been read before that they would not suit, as the cattle were one thousand miles away.

1134. He says in this letter that he offered to furnish the beef at such places and in such quantities as the Government would require?—Well, I have only to say that the tender I read to you is the only document I ever received, and it was sent from the Department of the Interior.

1135. Well, it is rather unfortunate when a large saving could have been effected to the Government, that a little more pains was not taken to communicate with him earlier, considering that a tender had been put in the previous autumn, offering to supply it at a much less sum than it had ever been got for before. But, of course, it was not your fault as it only reached you a fortnight after the opening of the tenders?—I beg your pardon, not a fortnight, only three days.

1136. There was an opportunity of saving a considerable sum of money, by striving to communicate a little more particularly with Mr. DeMers?—You will observe the price of beef is not mentioned only at one place, all the rest is for live weight, and at a tremendously long distance. At that point we only wanted 3,000

pounds. Now, if you will permit me, I will go on. "I will undertake to deliver in the course of the summer, first-class stock cattle, Durham breed, such as milch cows, bulls and working oxen, at the following places for the figure opposite each respective place, to wit:

At Edmonton, for 4 cents per lb., live weight.  
 At Battle River, for 4½ cents per lb., live weight.  
 At Pitt, for 5½ cents per lb., live weight.  
 At McLeod, for 3½ cents per lb., live weight.  
 At Qu'Appelle, for 7 cents per lb., live weight.  
 At Winnipeg, for 8 cents per lb., live weight."

*By Mr. Macdougall, Elgin:*

1137. Throughout all those prices the term "dress weight" does not occur?—No, Sir; it does not occur.

*By Mr. Kirkpatrick:*

1138. It is not in the tender?—The first one only—Edmonton.

*By Mr. Mills:*

1139. How do those prices compare with those actually paid?—They are higher; but by buying at those prices I saved a great deal of money, even if I had given the contract to McKay.

*By Mr. Kirkpatrick:*

1140. Do you know what the difference is between live weight and dress weight?—Fully double—a little more. It is on the overside of double.

*By Mr. Sinclair:*

1141. It depends on the state of the cattle?—It is over double in our country, being grass fed.

*By Mr. Kirkpatrick:*

1142. Why did you agree to take Mr. DeMers' tender?—I did not agree to take it.

1143. Did you not tell Mr. Gouin you would accept it? No, Sir; I never did. I told him to communicate with DeMers to see if he would accept the contract at 8 cents.

1144. But he telegraphs "Your tender was accepted to-day?"—I did not write that telegram.

1145. Then, that is not correct?—It is not.

1146. You did not agree to accept the tender?—No, Sir; the letter showed that I asked him if he was prepared to fill the contract at that figure.

1147. Was Mr. Alloway at all interested in getting this contract for Mr. McKay?—Not that I know of.

1148. Did he ever come to you about it?—I do not know that he did.

1149. Did he or did he not?—Not that I know of.

1150. But you would have known it if any one would?—I believe I would.

1151. Did Mr. Alloway come to you about the contract?—He may have done so.

1152. Who else could know, if you do not, Mr. Nixon; I ask you if he came?—I say I do not know whether he did or not.

1153. I do not know of anyone else we can get to give evidence on that point?—Well, I do not know. I have no recollection of Mr. Alloway coming.

1154. Have you any recollection of having any conversation with Mr. Alloway about this contract before you gave it out?—No, Sir.

1155. He did not interest himself to get this contract for Mr. McKay?—Not that I know of. I do not see why he should.

1156. I am asking you the question?—Not that I know of.

1157. Is it likely you would have remembered it?—It is, Sir.

1158. And you do not remember?—I do not remember that he interested himself about getting this contract for Mr. McKay.

1159. Did he speak to you about the contract at all?—He may have done so; I have no remembrance of it.

1160. You have no remembrance of his speaking to you?—I have not.

1161. Directly or indirectly?—Directly or indirectly.

1162. You think you would have remembered it if he had spoken to you?—I think so.

1163. Did he speak to you about all the contracts you had to give out?—No, Sir; I do not know that he did.

1164. He had not the "inside track" of your office?—I believe he did speak to me about some tenders, because he put in a tender himself for freighting, and did not get the contract.

1165. What was that for?—For freighting. I am speaking of the supplies which we were transporting at that time. Here is the whole mass of documents, but it would take me a long time to look up such matter.

1166. You did not talk to Mr. Alloway about this contract?—Not that I know of. I do not remember having any conversation with him on the subject.

1167. Do you know where Mr. Alloway is now?—He is in Winnipeg, I believe, Sir.

1168. Was he not here lately?—He was, Sir. I kept him ten days so that he might come before the Committee; he remained here for ten days at my request.

1169. There is one question I wish to ask in relation to Mr. Bannatyne's contract. You stated that Mr. Scott's evidence about the opening of the tenders could not have been correct, because Mr. Bannatyne had not put in a tender on that occasion?—I do not know that I put it in that way, Sir.

1170. How did you put it?—I think I was asked the question if I had any tender from Mr. Bannatyne, and I said the tender was from Mr. Strang, if I remember aright.

1171. You said there was no tender from Mr. Bannatyne?—Yes, Sir.

1172. Is it not considered in Winnipeg and by yourself that Mr. Strang's tenders and Mr. Bannatyne's tenders are the same?—I do not know; I would not say whether it was or not.

1173. Do not you consider that the tenders of Mr. Strang and Mr. Bannatyne are the same?—I do not know, as I have answered the Committee before, what relations exist between Mr. Bannatyne and Mr. Strang in relation to those tenders; it is not my business.

1174. But did you not consider that Mr. Strang's tender was the same as Mr. Bannatyne's?—I had no business to think of Mr. Bannatyne's business.

1175. You had a great deal of business to think about it; you were employed to get those tenders, and you ought to know the persons to whom you gave contracts. Did you or did you not consider that Mr. Strang's and Mr. Bannatyne's tenders were one and the same?—My sole business in Winnipeg —

1176. Answer that question?—Allow me to answer it in the way I wish.

1177. But answer it?—I have nothing to do with thinking about Mr. Bannatyne's business.

1178. I did not ask you that?—I beg your pardon. You asked me if I "considered," and that means thinking.

1179. But did you or did you not consider that Mr. Strang's tender was the same as that of Mr. Bannatyne?—My sole business in Winnipeg is to buy goods as well as I can, and I do not care who the man is, if he sends me the lowest tender and can fill the contract, and the goods are what they ought to be, I will give it to him.

1180. That is not my question; did you or did you not consider Mr. Strang's tender the same as Mr. Bannatyne's?—(No answer.)

1181. Did you or did you not consider that Mr. Strang's tender was in all respects the same as Mr. Bannatyne's?—I have already told you that I did not know what relations existed between them.

1182. I did not ask you that question. Did you or did you not know that a tender from Mr. Strang was the same in all respects as one from Mr. Bannatyne?—They never told me that it was so.

1183. There is no use fencing about the question?—I am not fencing about it; I made no enquiry.

1184. If you know, say "Yes," and if you do not know say "No;" did you know whether a tender from Mr. Strang was the same in all respects as one from Mr. Bannatyne?—I got the goods from Mr. Bannatyne's house.

1185. Answer and be done?—You are asking me if it is my business to——

1186. No, I am not?—Then I will not answer the question.

1187. You refuse to answer the question?—I do, Sir.

1188. I ask if it is not a proper question to be put; did you or did you not know whether a tender from Mr. Strang was in all respects the same as one from Mr. Bannatyne?—That is putting the question fairly.

1189. What is your answer?—I do not know what relations existed between Mr. Bannatyne and Mr. Strang.

1190. Do you know that Mr. Strang is chief clerk or manager in Mr. Bannatyne's establishment?—He is manager of Mr. Bannatyne's business.

1191. Then he often tenders for Mr. Bannatyne, does he not?—Yes, Sir; in Mr. Bannatyne's name.

1192. And when he tenders in his own name, the goods come from Mr. Bannatyne's store?—They do.

1193. Then a tender from Mr. Strang is virtually one from Mr. Bannatyne?—That is the conclusion.

1194. Then you know it?—I know that I get the goods at Mr. Bannatyne's store when Mr. Strang puts in a tender.

*By Mr. Plumb :*

1195. I understood you to say, a little while ago, in making your statement with regard to Mr. DeMers, that no contract had been awarded to him and you did not intend to accept his tender?—No, Sir.

1196. You said you did not accept his tender?—I had no tender from him.

1197. Then what does this statement mean which was read here and to which you did not take exception: "I have to acknowledge your letter of the 15th inst., relative to giving the contract to T. Y. DeMers, and beg to state in reply what I know of the matter. I recollect you saying to me you would accept Mr. DeMers' tender; You say you would not accept his tender because he did not propose to deliver the beef where you wanted it?—No, Sir; I beg your pardon. You are entirely astray there. The conversation between Gouin, Royal and myself (those were DeMers' friends), led me to suppose that DeMers would supply beef at 8c. There is no such mention of 8c. in the tender. I said: "Well, you telegraph to DeMers and ask him if he will accept the contract if it is given to him."

1198. "I recollect you saying to me you would accept Mr. DeMers' tender?"—Certainly; I think I would have given him the contract.

1199. "And asked me to see if he would accept the contract?"—That is right.

1200. You said a little while ago that the reason why you gave the contract to McKay was because Mr. DeMers did not tender?—I did not hear from DeMers for fourteen days, and then I gave the contract to McKay.

1201. Do you consider it your duty, as the purveyor of the Government, to take every possible pains to get what is furnished the Government at the lowest prices?—I think I have shown that conclusively on this examination.

1202. Was it not your duty, when about to give out a contract, and you had information that supplies could be furnished apparently at a much less rate, to take every possible means to ascertain that fact?—It was.

1203. You say you waited twelve days for the reply of Mr. DeMers and awarded the contract on the thirteenth. Suppose you had waited a couple of days longer, would it have done any harm?—I had to have the beef at a certain point, 400, 500,



600, 700 or 1,000 miles away, at a certain day. I had then waited longer than I agreed to do. My agreement was that I should only wait two days.

1204. No, Sir; that was not the agreement; that was your stipulation?—I waited ten days longer than the longest time asked me.

1205. You state that at first you proposed only to wait two days, and that you thought that was sufficient time. Was that, do you think, a reasonable time in which to communicate with a gentleman who lived in Montana?—Well, there is Mr. Gouin's letter, in which he says that the distance from the telegraph office was only twenty-five miles; I did not know that it was 125.

1206. Well, you know that the distance was long, and the communication uncertain; did you consider from the important nature of the contract, that this was sufficient time?—I have shown that I waited fourteen days.

1207. But in the first place you proposed to wait only two days?—Well; I wanted to hurry them up.

1208. I wish to know, Mr. Nixon, if it is your business in the North-West to endeavor to protect the Government by purchasing your supplies and employing labor at the lowest possible prices?—It is.

1209. You had information, at least you supposed you had information, that Mr. DeMers could furnish supplies of beef at a certain price?—Verbal information.

1210. You had that information?—Verbally.

1211. I do not ask whether you had it verbally or not; you had that information?—I had it verbally.

1213. Having had that information, I now ask you why, in the interests of the Government, you did not give a reasonable time to hear from Mr. DeMers?—I did give more than a reasonable time.

1214. Why did you only give two days in the first place?—Because we desired to know at once. As I have already explained to the Committee, I had to deliver that beef at certain places by a certain date, and it was necessary that I should start the cattle as early as possible.

1215. It evidently was not necessary that you should do it in two days, for by your own statement you waited fourteen. If it was necessary to fix two days' time, why did you allow fourteen?—So that I might get the beef cheap for the Government.

1216. Why then did not you give another two days, or another week on the same principle; why did you then close it?—Because I thought I had then waited a longer time than was prudent.

1217. Now, you told us that in 1875 you had to do with the different classes of supplies; you classified the supplies in two different lines, one of them being the main supplies, which, I understood you to say, you purchased by tender. You say that flour, bacon, and oats—the heavy articles, belonged to this class. You are asked in Question 682 what the other class was, and you say "It would be very multifarious; I had to buy from door-scrapers, upwards, to water barrels." You are then asked why you pursued a different course with regard to the two classes, and your answer is "From day to day, in the year 1875, I was asked by the Commissioner of the North-West Mounted Police for articles which I had no previous knowledge might be required, and I had to go into the open market and purchase them. I could not ask for definite quantities because I did not know the articles were wanted. That was with respect to the Mounted Police," and so on. Now, I wish to ask you if that practice has been continued since 1875?—It has not.

1218. Since that difficulty was removed, you have in all cases asked for tenders for supplies for the North-West?—Yes, sir, I think I may answer that question fully. In the advertisement which I read yesterday they were not asked for because I was not aware they were required.

1219. What were not required?—The smaller articles.

1220. You say that in 1875 you were not aware that the smaller articles were required?—And in 1876 I advertised as I was instructed.

1221. I want to know whether in all cases after that difficulty was removed in 1875 you asked for tenders for supplies and for labour?—I find I did, Sir, in 1877.

1222. I did not ask that; did you in all cases?—I did not in all cases.

1223. If not, why not?—From what I explained the other day.

1224. What was that; because in 1875 the articles of which they notified?—It was the same in 1876. I had to send to the respective houses from day to day, and from week to week, certain supplies, and those supplies were multifarious. For the supply of the larger quantities and the larger articles I had tenders.

1225. Did you consider it desirable in all cases to get supplies and labor by tender and award the contract to the lowest tenderer?—I mean in the interests of the Government?—I did not. If you will allow me I will give you an instance. In the article of oats, one merchant offered at 69 cents, another at 65 cents; and the one who put in the tender at the higher figure went to the other and asked him to withdraw his tender at 65 cents, and then they would divide between them.

1226. What then?—He refused to do it.

1227. Who refused?—The one who put in the tender at the smaller figure.

1228. What is the application of that?—Well, they were laying a trap for me in that particular instance.

1229. What did you do?—The smaller tender was accepted.

1230. But this was not what I asked about?—That is an instance to show that it is not always desirable to ask for tenders. The month before I left tenders were asked for 165,000 ties, and three or four of the lowest tenders withdrew.

*By Mr. Kirkpatrick:*

1231. What was that contract awarded at?—At 44 cents a tie. I had tenders at 25, 27, 30, 33, and I think at 35 cents, and those five withdrew, though I offered it to them respectively over and over again.

*By Mr. Plumb:*

1232. Why did not you advertise again?—I had not time.

1233. In any such case would it not be your duty, in the interests of the Government, when you see these combinations and have evidence of them as you had in that case, to refuse to receive any of those tenders and to advertise again?—Are you alluding to—?

1234. I am alluding to what you stated in regard to those ties?—I understand the question now. My direct instructions from the Department were to give the contract to the lowest tenderer. I reported that the lowest tenderer refused to accept. I was then told to give it to the next, and I made a similar report. My instructions were then to "fall back till you come to one who will accept." I did so.

1235. Did you take it upon yourself to suggest in any way, or advise for the protection of the Government, a different course from that?—I reported that, in my judgment, they could not be got out for less than 35 cents.

1236. But you paid 44 cents?—Yes; the man at 35 cents would not accept.

1237. I want to know if, after having had experience in 1875 of the difficulty of being suddenly called on to purchase supplies, you ever attempted to bring about a different state of things, whether you interfered in any way to relieve yourself of the difficulty of buying in the open market; did you suggest any arrangement?—Nothing except what I explained, of going from merchant to merchant and getting the prices of those supplies, and purchasing from the man who was the lowest.

1238. You stated that in 1875 you were able to buy a good many supplies—your chief supplies—by tender, because you were aware of what you wanted?—I will read my report to the Department on that particular subject.

1239. I would rather you would answer my question in regard to any smaller supplies?—I made a report to the Premier on that particular subject. It is as follows:—

WINNIPEG, 24th January, 1876.

Sir,—I have the honor to forward herewith certain Reports asked for by the Secretary:—

No. 1 Contains statement showing the names and addresses of parties from whom I have purchased the greater quantity of supplies; also the prices paid for the principal articles, particularizing the instances in which tenders were asked for and obtained.

No. 2 Shows the amount of stores and supplies remaining in the storehouse on the 17th inst.

No. 3 Shows the total amount disbursed by me up to the 31st day of December. No. 4 Shows the number of parties and men engaged in the service of the Canada Pacific Railway Survey, and towards whom I have acted as purveyor and paymaster up to the 31st day of December.

Previous to making my first and most extensive purchases of provisions for divisions L and P, I invited tenders, supplying myself from Higgins & Young, whose offer was a shade below that of the others. I have, however, found it fully as cheap to buy in open market, making my purchases from the merchants who keep the largest, most varied and best assorted stocks; not by any means confining myself to any one house and making the purchases only as the exigency of the service demanded: i.e., purchasing the supplies required as per the requisition of the engineer at the time that such supplies were actually needed. By this mode of procedure, I kept no provisions lying in the storehouse, and was therefore enabled to procure such articles as were fresh and good.

My experience during the past year leads me to say that it is the better way to continue to purchase as the actual necessity arises rather than lay in large stocks at one time, from which to furnish the supplies needed. I have departed from the method mentioned only in the article of flour, finding that it was advancing to an exorbitantly high figure (eleven dollars per barrel), on account of the early period of the closing of navigation on the Red River; I purchased a supply (50 bags) in advance of the actual requirements.

The prices paid up to the close of the year have been but very little above the rate paid early in the season, although the price of all kinds of provisions has advanced in this city with a rapidity unprecedented.

\* \* \* \* \*

1240. Then I understand that you recommended by that letter a system of purchasing in the open market?—Yes.

1241. And you have carried on your business at Winnipeg for the Government on that principle?—No, Sir, I have not.

1242. You have in many instances?—Only in 1876. In 1877 I departed from that rule, and asked for tenders for six months' supplies.

1243. For everything?—Yes.

1244. Why did you change your course of procedure—your system?—Because I wanted supplies for that time. I will explain. We desired only to send out to the engineer's office in four months the full amount of supplies instead of sending as before from week to week, so as to get the full amount for the six months; and I advertised.

1245. Why did you change the system?—I have explained why.

1246. No. Why ask for supplies for six months?—Because Mr. Rowan and myself decided that we would not in future send the supplies out to the engineers weekly or daily, as the case might be.

1247. Which system was the best for the Government?—I do not think there was any difference.

1248. Then if there was no difference, why did you change?—I have told you that instead of 2½ lbs. of tea I went and bought 100, 200 or 300 lbs.; and instead of buying 5 lbs. of sugar I went and bought all that was required for the whole six months. I had to send nearly the whole off at one time in 1876.

1249. Then, as Government purveyor, you bought  $2\frac{1}{2}$  lbs. of tea and 5 lbs. of sugar in the open market up to 1877; do we understand that?—No, Sir.

1250. You have just stated that instead of buying  $2\frac{1}{2}$  lbs. of tea and 5 lbs. of sugar, as you did previously, you commenced buying a larger supply?—Yes; but I explained that I went round and got the prices from the merchants.

1251. I ask the question whether, prior to that time you bought, as the Government purveyor,  $2\frac{1}{2}$  lbs. of tea and 5 lbs. of sugar; I just ask that question?—I had to buy small quantities.

1252. You stated that you bought  $2\frac{1}{2}$  lbs. of tea and 5 lbs. of sugar?—If you will permit me, I will read an invoice to show the nature of the purchases. It is as follows:—"30th June, 1876—6 lbs. tea,  $\frac{1}{2}$  lb. pepper, 5 lbs. beans, 5 lbs. rice, 7 lbs. dried apples; July 13—12 lbs. candles, 100 lbs. bran; July 14—1 barrel salt, 2 lbs. pepper, 37 lbs. rice, 39 lbs. dried apples; January 13—125 lbs. flour, 6 lbs. tea,  $\frac{1}{2}$  lb. pepper;" and so it has been.

*By Mr. Langevin:*

1253. I would like to know whether you advertised for tenders for those railway ties you spoke about?—I did, Sir.

1254. Have you a copy of the advertisement here?—I think I have. No; I do not see it here, but this (producing a paper) is the list of tenders.

1255. Could you procure a copy of the advertisement by to-morrow?—I could, Sir.

1256. Do you remember what conditions were imposed on the tenderers; were they to deposit any sum of money; were they to give security, or what?—They were to deposit a sum of money and give security.

1257. What sum of money was to be deposited?—Five per cent; I think of the amount of the contract.

*By Mr. Macdougall, (Elgin):*

1258. Is there any record of it, any document?—That is not mentioned in the advertisement; I received instructions from the Department to that effect.

*By Mr. Langevin:*

1259. After the advertisement had been published?—Yes, Sir.

1260. Then, when the parties came to your office, I suppose you had blank forms to supply them with?—I had not.

1261. I suppose they came for information?—Yes, Sir.

1262. Did you tell them that they had to deposit a certain sum of money?—Not at first; I did not know it.

1263. When the tenders came, did the tenderers put any sum of money in your hands?—No, Sir. I have found the advertisement calling for those tenders.

1264. Perhaps you will be good enough to read it so that it may go on record?—

Witness read the advertisement, which was as follows:

"Tenders will be received, addressed to the undersigned, at the Canadian Pacific Railway Office; Winnipeg, until noon of Monday the 4th of February next, for 165,000 railway ties, in lots of not less than 5,000, to be delivered on or about the 30th June, 1878, as follows:—

75,000 at St. Boniface; 60,000 at Rat River; 30,000 at River Rosseau.

A limited proportion of the above may be delivered at intermediate points as approved by the inspector. The ties will be eight feet long, flattened on two opposite sides to a uniform thickness of six inches; the flattened surface being not less than six inches wide at the small end.

The timber will be tamarack, oak, prince's pine and spruce; the aggregate number of the two latter kinds not to exceed one-fourth of the whole at each place of delivery.

(Signed)

THOMAS NIXON

CANADIAN PACIFIC RAILWAY,

PAYMASTER'S OFFICE,

WINNIPEG, 24th January, 1878."

1265. What is the date of the advertisement?—24th January, 1878.  
 1266. And you called for tenders, for what day?—4th February.  
 1267. That would be how many days between?—Eleven days.  
 1268. Do I understand, Mr. Nixon, that no deposit of money was made by the tenderers?—No, Sir; by none of them.  
 1269. Did they give the names of the sureties, with their signatures, for the fulfilment of the contract or not?—Some of them did, I think; most of them did not.  
 1270. Have you a list of the tenderers here?—Yes, Sir; I have.  
 1271. Will you please refer to it?—Yes, Sir.  
 1272. I want to know if the five lowest tenderers gave the names of any sureties?—I would have to refer to their tenders to ascertain that satisfactorily to my own mind.  
 1273. You have the tenders there?—Yes; No. 28, Ridout, I find, has given me none. The first one, I find, is Ambrose Bissonnette & Co., offering Joseph Lemay, Esq., as security.  
 1274. Is that the lowest?—It is not.

THOMAS NIXON.

RAILWAY COMMITTEE ROOM,  
 THURSDAY, 18th April, 1878.

Committee met.—Mr. Young in the Chair.

Mr. NIXON recalled and further examined:—

*By Mr. Langévin:*

1275. Can you lay before the Committee the advertisement that was published by you calling for tenders for 175,000 ties?—That is it, Sir (producing it.)

1276. The number is 165,000, not 175,000?—Yes, 165,000.

1277. Did you call for these tenders in accordance with instructions from headquarters at Ottawa?—I did, Sir.

1278. Those instructions were sent to you from the Public Works Department?—By telegraph.

1279. Have you a copy of those instructions?—I do not find, Sir, that they furnished me this morning with a copy of that telegram, but the advertisement you hold in your hand is the same as the telegram which was sent me. It was worded in the same way.

1280. Do you say that the advertisement you have just produced, and which has been filed here, is the advertisement as telegraphed to you from the headquarters at Ottawa?—That is right, Sir.

1281. It is dated the 24th of January, at Winnipeg?—Yes.

1282. When was this published in Winnipeg or anywhere else?—On the date there mentioned.

1283. The 24th of January?—Yes.

1284. Do you remember when you received this telegram?—I do not. It might be the same day or the day before.

1285. You have no paper or note by which you could ascertain the exact date?—I have, not.

1286. In what papers was it published?—In the *Manitoba Free Press*, the *Standard* and the *Métis*, a French paper.

1287. Those papers are published in Winnipeg?—Yes; the *Métis* is published in St. Boniface, on the other side of the river.

1288. They are not daily papers?—The *Standard* and *Métis* are not; the *Free Press* is.

1289. The others are weekly papers?—Yes.

1290. It is an advertisement calling for tenders for Monday, the 4th of February?  
—Yes, Sir.

1291. That was eleven days after?—Eleven days after, Sir.

1292. So that in the *Métis* and the *Standard* this advertisement would be published twice during that period?—I would not like to say it was published twice. I think so.

1293. Once at all events?—Yes, certainly.

1294. But not more than twice?—Not more than twice.

1295. On what days were the newspapers published?—I do not know.

1296. Are you aware that by this advertisement there are no conditions regarding the deposit of money or the securities required?—I am.

1297. Had you called for tenders of this importance in amount before?—I had never asked for tenders for ties before at all, Sir.

1298. I do not mean for ties only, for anything else of magnitude?—Not of the magnitude of that tender, Sir.

1299. Did you receive besides this, written instructions?—I think not, Sir. I think my instructions were all by telegraph.

1300. Have you those telegrams?—I have, as furnished me. The one to which that refers is not here, I find; probably because it came from Mr. Marcus Smith, while the rest are from Mr. Braun.

1301. Could you ask him to have a copy made?—Yes. I only knew now that it was not among the papers furnished me.

1302. Could you send a note to Mr. Smith?—Yes; certainly.

1303. Will you state what are the other instructions about this matter?—I telegraphed, Sir; Martin's was about 25 cents.

1304. Before you begin that, I wish to know if up to the time you received the tenders, you received any other instructions than these. I want to know the instructions you received up to the time the tenders were in your hands?—No, Sir, I did not.

1305. You received no other instructions?—No, Sir.

1306. How many tenders did you receive in accordance with this advertisement?  
—Twenty-seven, Sir.

1307. Can you furnish the Committee with a list of those tenders; I mean the names; I do not mean a copy of the tenders; that might be cumbrous?—I find that I should have stated that there were twenty-eight when I gave the number. Here is a copy of the tenderers.

1308. Have you the names of the tenderers there?—Yes.

1309. Twenty-eight?—Yes.

1310. Will you lay that before the Committee?—

## CANADIAN PACIFIC RAILWAY.

List of Tenders received at Winnipeg for Supply of 165,000 Ties for the Pembina Branch.

No. of Tender.	Names of Contractors.	Required 75,000.		Required 60,000.		Required 30,000.	
		Delivered at St. Boniface.		Delivered at Rat River.		Delivered at Rousseau River.	
		No.	Rate.	No.	Rate.	No.	Rate.
			cts.		cts.		cts.
	A. F. Martin.....	75,000	25	60,000	25	30,000	25
	Charles Nolin.....	10,000	25				
	Augustus Nolin.....			10,000	25		
	T. M. Quigley, 27c. for all, or.....	75,000	29	60,000	25	30,000	27
	W. C. Lewis.....			60,000	30		
	A. Bisonette & Co. ....			60,000	33		
	McKinnon & McDermid.....	75,000	35				
	Alex. McNabb.....			60,000	35	20,000	35
	John Nesbitt.....			10,000	39		
	Joseph Pilon & Co.....			5,000	40		
	George Taylor, over rate 47½c.....					30,000	40
	William Robinson.....	75,000	44	60,000	44	30,000	44
	J. Howell & Co.....					30,000	45
	William Robinson.....			60,000	47	30,000	48
	J. S. Peach.....			60,000	47	30,000	49
	O. P. Brown.....	5,000	44				
	Abram Farewell.....	75,000	49	60,000	49	30,000	49
	George Taylor.....	75,000	49	60,000	49		
	Charles Peach.....			60,000	49	30,000	50
	P. McArthur.....	20,000	50				
	J. Howell & Co.....	75,000	55	60,000	50		
	William Robinson.....	75,000	58				
	Robert Ralston.....			60,000	55		
	Charles Crawford.....					30,000	55
	J. S. Peach.....	75,000	58				
	Joseph Whitehead.....	75,000	60	60,000	60	30,000	60
	H. Large & Co.....	75,000	60	60,000	60	30,000	60
	Charles Peach.....	75,000	60				
	Robert Ralston.....	75,000	62				
	G. H. Ridout.....	75,000	64	60,000	64	30,000	64
	W. J. S. Trail.....	50,000	70				
	Alex. Waddell.....					30,000	75
	John Jansen & Co.....			5,000	75		
	Abraham Quay.....			20,000	75		

1311. Have you also a statement showing the amount of each tender?—Yes; it is embodied in the list.

1312. Have you also a statement showing the quality and the quantity of the ties to be furnished—the description?—That is mentioned in the advertisement.

1313. But is it in the list produced?—No; it would be mentioned in the tenders in accordance with the advertisement.

1314. But you call here for tenders, and state what kind of timber will be required, tamarack, oak, princess' pine and spruce, the aggregate number of the two latter kinds not to exceed one-fourth of the whole at each place where they were to be delivered. It is important to know the description of the wood to be furnished. I suppose the tenders would show that?—Yes; but they do not specify other than that they "shall be in accordance with your advertisement for tenders," and so on.

1315. Now will you refer to that document you have laid before the Committee, and see what are the names on the list of tenders. You might give us the names of the five lowest tenderers; I think you said that the sixth was accepted?—I think so. There was A. F. Martin for the whole. The next on the list were for only 10,000 at the same price, delivered at St. Boniface—Charles Nolin. The third is Augustus Nolin, which was for 10,000 at Rat River. The fourth was M. Quigley.

1316. What quantity?—For the whole.

1317. Who was the fifth?—W. C. Lewis.

1318. For what quantity?—For 60,000.

1319. Are those the only tenders before the one accepted?—They are not.

1320. Will you go on then?—There was Bissonette & Co. for 60,000; McKinnon & McDermid for 75,000; Alexander McNabb, 60,000 at Rat River and 30,000 at Rousseau River.

1321. Were those places at which the ties could be delivered according to the advertisement?—Yes; those were the places. Three places were specified. The next, Sir, is John Nesbit for 10,000 at Rat River.

1322. You are giving these in accordance ———?—The Department, I see, Sir, has just taken them, commencing at the lowest and extending out.

1323. That is what I want; please stop at the one that was accepted?—Joseph Pilon & Co., for 5,000 at Rat River. The next is for the whole amount, William Robinson, who received the contract.

1324. What is the number of that tender according to those that preceded it? How many preceded that?—This is the twelfth, Sir; it is the third for the whole.

1325. So that this is the twelfth tender; eleven have been passed over?—Yes, Sir.

1326. Now will you give the price of those tenders, beginning at No. 1 and going on to No. 12?—Martin, 25c. for the whole; Charles Nolin and Augustus Nolin, 25c. for 10,000 each; Quigley, 27c. for the whole; W. C. Lewis, 30c. for 60,000; A. Bissonette & Co., 33c. for 60,000; McKinnon & McDermid, 35c. for 75,000; Alexander McNabb, 35c. for 90,000; John Nesbitt, 39c. for 10,000; Joseph Pilon & Co., 40c. for 5,000; William Robinson, 44c. for the whole.

*By Mr. Wood:*

1327. That is eleven rather than twelve?—No; Charles Nolin and Augustus Nolin I put together.

1328. But when you do that there are only eleven?—He is the eleventh; I will tell you what led me astray: George Taylor is put here for 30,000 at 40c., but he put in for the whole, and his average is 47c.

*By Mr. Langevin:*

1328. Will you say why you did not accept the lowest tenderer, the first?—I did accept the lowest, Mr. Martin. He wrote me that since I had decided to accept his tender, he had received directions from the Department of the Interior to survey some lands, and he begged to decline. I telegraphed to the Department to that effect.

1329. He is a land surveyor?—Yes.

1330. When did you accept his tender in that way?—Immediately on the date.

1331. That was on the 4th at noon?—Yes.

1332. Did you open them that day?—Yes.

1333. And accepted his tender immediately that day?—Yes; I think I did. I think I may state positively that I wrote him on that day and sent for him.

1334. And he told you that he had received instructions from the Minister of the Interior?—No; here is his letter dated the 7th of February.

1335. That is three days after?—Yes. Here is the letter:—

“WINNIPEG, 7th February, 1878.

“DEAR SIR,—Having received your communication informing me that I am the lowest tender for the construction of the 165,000 ties advertised for, and that you are



ready to enter into contract with me ; I beg to state that having received news from Ottawa since my tender was sent to you, that I am to get a survey from the Government, and not being able to attend to both, I beg to decline your offer.

"Thanking you for your attention to me in this circumstance.

"I remain, Sir,

"Yours, etc., etc.,

"(Signed) A. F. MARTIN.

"T. NIXON, Esq.,

"Purveyor C.P.R., Winnipeg."

1336. Who is the next?—Nolin.

1337. Did you accept his tender?—I accepted his tender; I was instructed from the Department to accept it.

1337a. Will you read those instructions?—This is a copy:—

"(Telegram.)

"To THOMAS NIXON,  
Winnipeg.

"OTTAWA, 11th February, 1878.

"If Nolin can give security let him have contract for twenty thousand (20,000), and Quigley the balance. If Nolin cannot give security give the whole to Quigley who offers security.

"(Signed)

F. BRAUN,

"Secretary."

1338. There were two of them. Were they together?—No. Quigley was for 27c. and the Nolin 25c.; the only difference being that Quigley was for the whole.

1339. What is the position of Quigley on the list, third or fourth?—No, Sir, he is 2c. higher.

1340. What position is he in—third or fourth?—Fourth.

1341. Who is above him?—The two Nolin, for 10,000 each; they are below him in price.

1342. What were your instructions? Please read them.—

"(Telegram.)

"OTTAWA, 16th February, 1878.

"To THOMAS NIXON,  
Winnipeg.

"Report if Quigley has given sufficient security, and is pushing work. Time pressing.

"(Signed) F. BRAUN."

1343. Did he tender for 20,000?—No; but there were two brothers for \$10,000 each.

1344. Now, what did Nolin do?—He would not accept, if I remember aright; but I will look over the papers. I wrote to them; they lived at a considerable distance from Winnipeg, at Point au Chêne. Here is the letter:—

"ST. ANNE'S, 12th February, 1878.

"SIR,—In answer to yours in reference to ties (contract), I will be at your office on Friday the 15th. Sickness in the family has prevented me of going before.

"Yours,

"(Signed)

CHAS. NOLIN,

"Per D. C. de A.

"THOMAS NIXON, Esq.

1345. Did Mr. Nolin go to your office?—No.

1346. Did he on the 15th?—No.

1347. Then what did you do on the 15th; you had made an offer to Quigley?—I did. In the interval I received a telegram from the Department, dated the 16th, to this effect:—"Report if Quigley has given sufficient security, and is pushing work; time pressing." Previous to that I had received another telegram from the Department. I asked what securities would be required.

1348. What was the date?—The 12th of February; it comes before the other.

"(Telegram)"

To THOMAS NIXON,  
"Winnipeg."

"OTTAWA, 12th February, 1878.

"Yes; two solvent sureties.

"(Signed) F. BRAUN,  
"Secretary."

1349. When you received this telegram of the 16th of February, what did you do—when they asked you whether Quigley had accepted, and told you to give them news?—Quigley was not prepared to accept.

1350. Did he write to you?—Yes.

1351. Read his letter. What is the date?—The 18th of February.

"WINNIPEG, MANITOBA, 18th February, 1878.

"DEAR SIR,—I beg respectfully to inform you that I am prepared to fulfil all the conditions demanded for the due fulfilment of the contract for supplying 165,000 railway ties as tendered for by me.

"I would now respectfully ask, on my part, that a clause be inserted in the contract, in accordance with your verbal expressions, and as understood by me, viz: that payments be made monthly at the rate of 90 per cent. on all delivered on the line, and a proportionate percentage on all delivered on banks of river.

"I have the honour to be,

"Your obedient servant,

"(Signed) T. M. QUIGLEY,  
"Contractor,  
"P. O. Box 230, Winnipeg."

"THOS. NIXON, Esq.,

"Paymaster, C. P. R.,  
"Winnipeg."

Mr. Quigley was astray there, I gave him no verbal promise that the Government would pay for any on the banks of the river.

1352. Was there any conversation about this?—Yes; when I went to the lawyer to have the contract drawn, and a further one in the presence of the solicitor who drew the contract.

1353. Did he understand that he was to be paid 90 per cent., as he delivered them on the line?—Seventy-five to ninety, pending instructions; but he wanted a further clause put in the agreement that he should be paid for that in the woods, or on the river, but, of course, I could not consent, and that was the difficulty.

1354. Was there nothing of the kind in your advertisement?—There was not.

1355. Besides the advertisement, had you any other document that was shown to these parties that applied because they must have known whether they were to be paid as the work went on, or only when it was completed?—I telegraphed to the Department as follows:

"(Telegram.)"

"OTTAWA, 19th February, 1878.

"By Telegraph from Winnipeg, Manitoba.

"Quigley will not sign contract except on basis of payment monthly of ninety per cent. on ties delivered on line, and proportionate percentage on all delivered on banks of river." Instruct

"(Signed) THOS. NIXON.

"To F. BRAUN."

1356. What was the answer to that?

"(Telegram.)"

"OTTAWA, 20th February, 1878.

"Monthly payments on ninety per cent on all ties delivered on the line as specified. No advance on ties in the woods or on rivers away from line. If Quigley refuses, pass to next. Act quickly.

"(Signed) F. BRAUN.

"To THOMAS NIXON,

"Winnipeg."

1357. When Mr. Quigley spoke to you about being paid in proportion at the rate of ninety per cent. on the ties delivered on the line, and in proportion for the ties on the rivers, you understood them it meant in the woods?—Oh, no, on the line, Sir.

1358. Or about the rivers?—On the line only, but Quigley wished additional to that.

1359. You understood that Mr. Quigley meant not only those on the line, but those in the woods?—That is right, and on the banks too.

1360. Near the places where the wood would be cut?—Yes.

1361. Did you then communicate with Mr. Quigley after receiving this telegram?—I did, Sir.

1362. Did you write to him?—I might say that the contract was drawn out when I sent this.

1363. To Mr. Quigley?—Yes. We went to the solicitors and Quigley thoroughly understood what the agreement was. The contract was drawn out on the basis of that telegram, though I had not then received it, but Quigley refused to sign on the terms of the telegram.

1364. Did you see Mr. Quigley after that?—Certainly.

1365. Did you communicate with him by letter?—I think I did. I have his answer here, dated the 20th of February:

"WINNIPEG, MANITOBA, 20th February, 1878.

"SIR,—I have the honour to acknowledge the receipt of yours of to-day in reply to mine of the 18th instant. I regret very much that there should be any misunderstanding between us as to payment of the contract. I certainly inferred from the tenor of your remarks, that a "proportionate percentage" would be paid on ties on banks of river; had I for a moment contemplated that no such percentage would be allowed, but that I should be obliged to carry over the full amount of contract, for it virtually amounts to that, until delivery on railway, I would not have submitted a tender for them.

"As you now officially inform me that no percentage whatever will be paid for any ties on banks of river, I must, under these circumstances, respectfully decline to sign a contract wanting that clause.

"Hoping that this action on my part may not involve any loss to the Government, nor operate to my disadvantage in the letting of any future contracts.

"I have the honor to be, Sir,

"Your obedient servant,

THOS. NIXON, Esq.,

Paymaster, C.P.R.

"(Signed)

T. M. QUIGLEY,

"Contractor."

1366. What did you do after that?—I telegraphed to the Government that Quigley refused.

1367. Will you read that telegram? Have you a copy?—Yes.

"OTTAWA, 19th February, 1878.

"By Telegram from Winnipeg, 18th February.

"Quigley has not yet signed contract; ask till to-morrow for consideration. Have proposed to pay him seventy-five per cent. of value of every twenty thousand inspected on line. Does this meet your approval?

"(Signed) THOS. NIXON.

"To F. BRAUN,

"Secretary."

There must have been one later than that.

1369. So he was disposed by this telegram to abandon the idea of having the payment of ties on the rivers?—He wished to be paid for those on the rivers, and he would not sign the contract unless he was.

1370. But you do not speak of this at all in the telegrams?—I said there was a later telegram.

1371. What is the date of this?—This is the 19th of February. The contract was written out and Quigley understood it.

1372. Quigley refused to sign?—Yes.

1373. And what was your next proceeding?—I was told to pass on to the next lowest.

1374. Have you a telegram to that effect?—I have not.

1375. How were you told?—By telegraph.

1376. What is the telegram?—I have not a copy.

1377. Who sent it to you?—Mr. Braun.

1378. If they gave you copies of these documents, why is this one not forthcoming with the others?—I have not got a copy, but I know those were my instructions to pass to the next lowest.

1379. Was that the only thing in that telegram?—Perhaps my letter here of February 22nd will explain the matter. My letter to the Department is as follows:—

"CANADIAN PACIFIC RAILWAY,

"MANITOBA DISTRICT, PAYMASTER'S OFFICE,

"WINNIPEG, 22nd February, 1878.

"SIR,—I have the honour to forward herewith the contract entered into this day with Mr. Wm. Robinson, for the required number of ties on the Pembina Branch of the Canada Pacific Railway.

"I also forward a certified cheque for the sum of \$3,630, being at the rate of five per cent. on \$72,600, the contract price of the 165,000 ties at 44 cents each.

"I also transmit schedule showing the names of the persons from whom tenders were received, and the amount for which they tendered.

"After having received Mr. Martin's letter, respecting which I telegraphed you, I wrote to Point du Chêne, to Charles and Augustus Nolin, offering to accept their tender; but they failed to put in an appearance, although Charles Nolin wrote me, in reply to my offer, that he would be there on the 15th inst. Mr. Quigley, as explained in my telegraph of the 19th, desired to have advances made on the ties on the banks of the rivers as well as on those on the line, and when informed that payments would not be made on those on rivers he declined to sign contract.

"I then, as directed by your message of the 20th inst., sent for the following parties who were next in order to Quigley, viz.: W. C. Lewis, A. Bissonette & Co., McKinnon & McDermid and Alex. McNab, all of whom declined.

"This left Wm. Robinson, who offered for the whole at 44 cents, as the next with the exception of John Nesbit, for 10,000, at 39 cents, at Rat River, and Joseph Pilon and Pierre St Germain, for 5,000 at the same place at 40 cents, to neither of which was I in a position to accept their offer, as Mr. Robinson refused to accept the contract if I let the 15,000 mentioned.

"I have the honor to be, Sir,

"Your obedient servant,

"(Signed) THOMAS NIXON."

1380. After you failed to get Quigley to sign the contract did you go the next lowest?—I did Sir, as there explained.

1381. The next lowest was Lewis?—Yes; I remember the man now and I can speak positively.

1382. W. C. Lewis?—Yes.

1383. What did he do?—He declined.

1384. What reason did he give?—He did not give me any.

1385. Was it verbally or in writing?—Yes; and all the rest were declined verbally.

1386. You sent for them?—I did, Sir.

1387. What about Bissonette & Co.?—They are the same.

1388. What reason did they give?—They did not give me any, but I think they could not get security. They were not in a position to do so. Joseph Lemay was the only name they gave me, and I happened to see him, and he said he would not. They declined, however.

1389. When did you make them an offer of the contract at the figures they put in?—Immediately after the decision that Mr. Quigley had conveyed in his letter, that would be the next letter.

1390. The 21st?—Yes.

1391. Then we come to McKinnon & McDermid?—Yes.

1392. Did you offer it to them?—Yes.

1393. What did they say?—They declined also. I think it was McKinnon I saw in a saloon in Winnipeg.

1394. What reason did he give?—He did not give any.

1395. It was not in your office then?—No; it was on the street.

1396. You met him?—No, I went for him, and I had a considerable hunt to get him. I think Mr. McDermid was the principal of the two men, but he was not in the city. I wrote a note to the post office and not getting an answer I did not know who they were, but as I said, I happened to find McKinnon. He is keeping a saloon or is tending bar, and I went in with Captain Howard, one of the accountants in the office. When I spoke to him about the subject, he declined.

1397. Then Alex. McNabb comes next?—He also declined.

1398. Did he give you any reason?—I think he could not find his sureties.

1399. What did he say when you offered it to him?—He thanked me for having offered it to him, but said he begged to decline. He was one of the engineers on the Canada Pacific Railway a few weeks previously.

1400. Is he now employed?—He is not now employed.

1401. Has he been employed since that?—He has not.

1402. Had he any employment at that moment?—He had not.

1403. John Nesbit is the next after McNabb?—I think I would require now to refer to my letter. I think McNabb was the last not the lowest, but the next highest, and that he was the last to whom an offer was made; you will see by my letter.

1404. Please look at the letter?—Yes; I am correct. This Wm. Robinson who offered for the whole is the next, with the exception of Nesbit, Pilon & St. Germain.

1405. Nesbit was the last?—No; McNabb.

1406. What did you do with Nesbit?—There was no offer made to him, nor to Pilon, nor to Taylor.

1407. Is it Wm. Robinson who had it?—Yes; he refused to accept, as I explained, if I gave any portion of it away; the whole there was, of those, was only 15,000 together.

1408. How did you know that Wm. Robinson would refuse?—I offered him the contract less than 15,000.

1409. Did you make any offer to Nesbit, or the two Pilon's?—No; I did not know where he lived.

1410. You took no notice of their tender until you came to Wm. Robinson's?—I had their tender before me, certainly.

1411. You took no trouble to speak with them or communicate with them?—I think you are correct; but I offered Robinson the contract less than \$15,000.

1412. You went down to Robinson's first; these three tenders were the lowest for the quantity offered;—Yes; but I did not offer him the whole as my letter explains.

1413. Your advertisement, as directed by the head office in Ottawa, was to this effect: "Tenders will be received," &c.; and now by this advertisement are we to understand that you might accept a tender for 5,000, or for 10,000, or 20,000, or 25,000, as the case might be?—I so understood it.

1414. In lots of not less than 5,000?—Yes.

1415. So that the intention was that they might be furnished by a number of people, if necessary, by 5,000 apiece?—I so understood it.

1416. If you understood it so, how is it you passed over Mr. Nesbit, and then passed over Joseph Pilon and Taylor, and then went down to Wm. Robinson?—I think I explained that I did not pass them over. Here is a tender from Joseph Pilon; I did not know where he lived; I knew nothing about him; but I offered to give Robinson the contract less the 15,000.

1417. Yes; but allow me; you know Mr. Martin, the land surveyor?—Yes.

1418. Did you know Charles Nolin?—Yes; personally.

1419. And Augustus Nolin?—Yes.

1420. And Quigley?—Yes.

1421. And Lewis?—Yes; I knew them.

1422. And the Bissonettes?—I did not know them, but I knew where they lived.

1423. McKinnon and McDermid: you knew them?—No; I do not know them.

1424. And McNabb, you knew?—Yes; I knew him personally.

1425. You did not know some of these gentlemen as you say; nevertheless you found them; you wrote to them?—Permit me, Sir; I knew their Post Office address; they were all Winnipeg.

1426. At all events you inquired about them; you communicated with them?—I knew the Post Office address of all of them.

1427. You communicated with them?—Yes; verbally or by letter.

1428. Have you Nesbit's tender there?—Yes, Sir; it is dated Prairie Grove.

1429. Is that place in Manitoba?—Yes; I presume it is.

1430. Would not that be a proper indication for you where to find Mr. John Nesbit?—Yes; it would.

1431. Why did you not communicate with him?—Because of my going to the other party. My instructions were not to lose any time in the letting of the contract.

1432. And you did not communicate at all with Mr. Nesbit?—I do not think I did.

1433. I want to see Pilon's tender?—Yes; here it is (producing it.)

*By Mr. Macdougall (Elgin):*

1434. Why did you not communicate with Mr. Nesbit: that is Mr. Langevin's question?—I offered the contract to Mr. Robinson, provided he would leave out the 15,000. My position was this: Robinson was in Winnipeg four doors from me; these other parties were at St. Norbert, or Prairie Grove; and I went to Robinson and asked him to permit me to give the 15,000 to the parties there mentioned, and he told me he would not accept the contract on those terms.

*By Mr. Langevin :*

1435. You communicated with each of the others; you went on taking the lowest and then going to the next, when the last declined, and so on?—Certainly.

1436. And when you reached McNabb, who refused; you jumped over the heads of three?—No; I did not. I went to the man who offered most cheaply for the whole, and asked him to permit me to put myself in communication with the others.

1437. I understand all this, and I do not wish to put anything into your mouth which you do not say. When you came to McNabb, he declined; the next lowest was John Nesbit; you communicated with him?—No.

1438. Joseph Pilon & Co. was the next; you wrote to them?—No.

1439. George Taylor was the next?—No. That is according to a sheet made in the Department, so they are not in the order of the rate at which they were made.

1440. Did not he put in two tenders?—No; it was all one tender for the whole; the average was 47½c.

1441. So you are right for that one?—Yes.

1442. When you began to look over the tenders that were laid before you, you applied to Martin, who was the lowest for the whole; then you had the two Nolins for 10,000 each. Instead of going to Quigley at once, who was for the whole, you went to the two Nolins?—I was instructed to do so.

1443. You went to the two Nolins, offering them the contract for 10,000 each; you were not afraid then that Quigley or any of the others, according to your instructions, would decline to take the whole because 20,000 would have been given to the others, therefore, you offered it to the two Nolins, and they declined; you came then to Quigley?—Quigley agreed with me that I might give them to the two men, and that he would accept the contract for the balance if that much was taken away from the amount of his tender.

1444. And had you any instructions to pass by those who tendered only for smaller quantities?—Certainly not.

1445. Then you should have gone according to the tenders, because in tendering for 5,000 each at first they were acting in accordance with the advertisement, and you had no right to pass them by?—Well, I could not have let the contract; it would not have been let.

1446. Yes; but if you had offered it to the Nolins, you should have done so, unless you can show us special instructions to the contrary?—No; I have not.

1447. Well, those men, no doubt, were at expense and trouble, and they are passed by because another tenderer, two or three steps below them, tendered for the whole. I would like to see William Robinson's tender—I believe there are two of them?—I do not think it is the same man at all.—Here they are (producing the tenders.)

1448. Where does Mr. Robinson live—that is, the Mr. Robinson whose tender you accepted?—He is in Winnipeg now.

1449. Where was he at the time?—At Selkirk; he was in the employment of Sifton, Ward & Co. They have their offices in Winnipeg. They were in there at the time the contract was let. He was one of their sub-contractors.

1450. Did William Robinson live at Selkirk when the tenders were called for?—Yes; I presume so.

1451. And when the tenders were accepted he lived at Winnipeg?—At Winnipeg.

1452. Are you aware whether there are two William Robinsons in Winnipeg?—I am not.

1452 a. Do you know that there was one William Robinson at Winnipeg when you called for those tenders?—I do not.

1453. So you believe that they are two different men?—I always thought so. I never asked the man who got the contract whether he sent in a different tender. But as their style and writing were so entirely dissimilar, I could come to no other conclusion.

1454. The contract was entered into with William Robinson?—Yes; it is in the Department.

1455. What conditions were put in the contract; have you a copy of it?—No; I have not a copy.

1456. Do you know the conditions?—Yes; that he was to pay a certain sum of money, which I read you—three thousand and odd dollars.

1457. For what?—As security; and that he would find two sureties as well, which he did, namely, Abraham Farewell and W. H. Lyons.

1458. For the fulfilment of the contract?—Yes; they are bound to finish the contract providing he failed. That was the basis on which I had the contract drawn.

1459. You say those other parties did not tell you why they declined to take that contract; are you aware why they did so?—I think I am.

1460. Why was it?—I do not think they were in a position any one of them to find securities. One of them, Mr. Lewis, might have been, I do not think the others were.

1461. But it was understood, by what you say, that this contract, according to this advertisement, would be given without surety?—No, Sir, I do not see how those who tendered could understand it so. It does not state in the advertisement that there was to be security; but, of course, the men were constantly in and out of my office making enquiries.

1462. Did you give them information?—As soon as I received information from the Department, I certainly did.

1463. When was that?—On the 12th February I sent this telegram:—

“(Telegram.)

“OTTAWA, 12th February, 1878.

“By Telegraph from Winnipeg, Manitoba.

“To F. BRAUN:

“Is contractor to find securities for due delivery of ties in addition to the five per cent.

“(Signed) THOMAS NIXON.”

1464. When did you receive instructions about the five per cent.?—I do not find a copy of that telegram; I have sent to the Department for copies of all the telegrams you require.

1465. Cannot you say whether you received instructions from the head office about the deposit of five per cent previous to the receipt of those tenders?—I do not think I did.

1466. This was the 4th February?—I think I must have, because Martin was to pay me five per cent.; he was to bring me a cheque from the Archbishop; I know I must from that fact.

1467. How did the instructions about the five per cent. come to you?—By telegraph.

1468. Did you inquire from the office?—Yes.

1469. What made you inquire when they had sent you instructions?—Because I was not going to let so large a contract on my own responsibility.

1470. You telegraphed to know the condition about the deposit and security?—I do not think I used those words, but some to that effect.

1471. And the answer was that you should insist upon a deposit of five per cent?—Yes; I asked also if I was to get security as well. I have read you the reply.

1472. And they told you that you were to have two good sureties?—Yes.

1473. Did you let the people know before they tendered that there should be a deposit of money?—No.



1474. And all those people tendered on this advertisement without knowing there was to be a deposit of money or sureties?—I think so.

1475. So out of 28 tenders, ten have been passed by and the eleventh has been accepted?—Yes; that appears to be the way it is.

1476. Mr. Martin's tender was for 25c.?—Yes.

1477. All through?—All through, Sir. He put in at the rate of forty-one thousand two hundred dollars, but 25c. was the average.

1478. Mr. Quigley, I see, puts in his tender at 25c., 27c., and 29c.?—Yes; and the average made, as you observe, 27c.

1479. And the William Robinson, to whom you gave the contract under instructions from Ottawa, put in a tender at 44c.?—44c.

1480. The difference between the first tender (Mr. Martin's) and this being 19c.?—Yes; that is the difference.

1481. Instead of 25c. it is now 44c.?—Yes.

1482. The whole amount of William Robinson's tender is about—have you the exact figures?—Yes; I have the whole list, and it will be seen there. The exact amount as given here is \$72,600 for five per cent of which, I received a marked cheque, which was sent to the Department.

1483. If it had been the first tender at 25c. it would have been a little over \$41,000?—Yes; a little above \$41,000.

1484. So that the difference between the first tender and the one accepted is a little over \$31,000?—Yes, that is right.

1485. There was another tender, C. P. Brown, 5,000 at 44 cts.?—Yes.

1486. Did you offer C. P. Brown the contract for that amount?—No; I explained before that he lived 100 miles away at a place called Palestine.

1487. Prairie Grove, is that far from Winnipeg?—I scarcely know where it is, it might not be far; I do not know.

1488. It is within Manitoba?—Yes; and it cannot be a very great distance from Winnipeg.

1489. There is another place mentioned where the Pilon and St. Germain lived—St. Norbert—how far is that from Winnipeg?—Not more than ten or twelve miles; it is one of our near post offices.

1490. They could be reached easily then?—Yes; within a week. In fact they may be reached daily, for, I think, they are on the stage route to the United States.

1491. That is about ten or twelve miles from Winnipeg you mean?—Yes.

1492. Have you seen Pilon since you gave the contract?—No; I never saw any of those parties since; I never saw them before either.

1493. Nor Nesbit?—No; I do not know the parties.

1494. Is the contract being executed now?—It was when I left; I have been away for over a month.

1495. Is this the first time that ties have been required in Manitoba?—No, Sir; but so far as my office is concerned it is.

1496. Other ties have been furnished there?—Yes.

1497. Did you call for tenders?—I had nothing to do with them so far as my office is concerned; I did not let the contracts or pay for them.

1498. But you know there were other ties?—There must have been, as the rails are being laid.

1499. Have these ties been furnished lately?—Within a year. Mr. Whitehead, the contractor, is the man who furnished the ties. There is a tender here from him for these ties, at 60c.; he would not do it at less.

1500. But a different description of ties is furnished than by this tender?—So far as I know there is no change; but I do not know much about it; it will be for the Inspector to examine. I will only pay for them on the certificate of the Inspector, as mentioned in the contract.

1501. This deposit of \$3,000 and odd—is that in the contract?—Yes; and he gave the securities.

1502. How is he to be paid?—Monthly on the certificate of the Inspector, and on the line only wherever the Inspector directs.

1503. What proportion of the price?—90 per cent.

1504. Were these tenders that you received, sealed tenders?—They were in envelopes.

1505. You mean they were not open?—No; they were not open; they were all put away in my safe till the day. From day to day as they came in they were put away in my safe.

1506. You opened the tenders alone?—No; I sent for the Engineer in charge of Contract 14.

1507. Who was he?—His name has escaped my memory for the moment.

1508. Had you instructions to send for him?—Yes.

1509. Have you them there?—No; I do not see them.

1510. What did the instructions say?—They were to send for the Engineer in charge of Contract 14, and have him present when I opened the tenders.

1511. When did you receive those instructions?—Two or three days before opening the tenders.

1512. You sent for him?—I did.

1513. What did you do then?—We opened them together.

1514. The one after the other?—The one after the other.

1515. Did you make any mark on them?—No; they are not marked. If the District Engineer had been there they would have been.

1516. You did not put your initials on the back of these tenders?—No.

1517. You opened them?—Yes.

1518. Did you make a list then and there?—Yes.

1519. Did you sign the list together?—I think we did; I am almost sure we did, but I have not got it here so I cannot say positively. We decided then and there that Mr. Martin should have it.

1520. After that you did not consult with that officer?—No.

1521. You acted on your own responsibility according to instructions?—Yes.

1522. Did you let anyone know what the tenders were?—I did not; I never do that.

1523. Nobody knew?—Nobody knew.

1524. The tenderers may have known it by indiscretions on their own part?—Yes; it was common talk on the street, because Mr. Martin came to me and spoke to me about his taking it for 25c. For two or three days he had decided in his own mind to go on with the work.

1525. After the tenders were opened?—Yes immediately after I wrote him. I saw him before receiving this note which I read. I have no doubt that the others spoke about their tenders. And in no case; I never do.

1526. You wrote on the fourth, and he answered you on the sixth or seventh?—Yes; in two or three days.

*By Mr. Macdougall (Elgin):*

1527. Then the difference between the lowest tender and the one accepted was \$31,000?—Mr. Langevin has stated that I have not had time to make the calculation. The difference is 19 cents, at least that was the figure Mr. Langevin mentioned.

*By Mr. Langevin:*

1528. You said 19 cents?—That is true.

*By Mr. Macdougall (Elgin):*

1529. Why did you make that difference; why did not you accept the lowest tender?—Because they fell out; I would have accepted them if they had taken the contract.

1530. Well, was the tender you accepted the next lowest?—No; there were several between.

1531. How did these others fall through?—They refused to accept.

*By Mr. Norris :*

1532. You received more tenders than these eleven ?—There were twenty-eight.

1533. Many of them higher than the one you accepted ?—Some were as high as 75c. ; Mr. Whitehead, who ought to have the most judgment, was 60c.

*By Mr. Wood :*

1534. You say that Mr. Robinson would not have accepted the contract, if those two tenders for the 5,000 each had been left out ?—That is correct.

1535. And then you would have been forced to go on to the next man ?—Yes; he was still higher than Robinson.

1536. In the interest of the Government you thought it better to accept at the 44c. tender, than taking the risk of paying for 5,000 some five or ten cents more ?—Certainly.

1537. In giving the contract for 165,000 at 44c., though you passed over these two men, you saved the Government a considerable amount of money ?—Yes.

*By Mr. Mills :*

1538. Was Quigley's tender for the whole amount ?—Yes.

1539. You consulted the parties between Martin and Quigley, that were tenderers ?—Yes.

1540. Did you obtain Quigley's assent to your doing that ?—Yes.

1541. So that Quigley was willing to take the balance of the ties, deducting this amount, at the rate at which he had tendered for the whole ?—Yes.

1542. Do you know if Mr. Whitehead, under the contract he has, has also the contract for putting on the ties on those stations on which he is working ?—Yes.

1543. How did he obtain the ties, do you know ?—I do not know.

1544. You do not know if he advertised ?—No.

1545. Do you know at what rate he obtains them ?—No.

*By Mr. Macdougall (Elgin) :*

1546. Did any member of the Government, personally or otherwise, interfere with you in the making of these contracts ?—Never.

1547. In no way, directly or indirectly ?—Certainly not.

*By Mr. Archibald :*

1548. The question has been raised with regard to the 15,000 which were tendered for at a lower rate than Mr. Robinson's tender; you stated that Robinson refused to accept unless he received the contract for the whole ?—Yes; I stated that I so reported.

1549. What would have been the result had Mr. Robinson refused to accept the contract. Look at the list and tell us, supposing you had passed on to the next, what prices would you have been obliged to pay ?—The next is Howell for only 30,000; the next is the other Wm. Robinson, 47,000; then comes 60,000, 48,000 and 30,000.

1550. That would have involved an increased price to what extent ?—I could not say without making a calculation, an average of about four cents a piece.

1551. Is it your usual practice, in asking tenders, invariably to accept the lowest tender; to accept it under all circumstances ?—It has been my invariable practice since I have been at Winnipeg, the quality of the goods being considered, to award the contract to the lowest tenderer, and there have been very few cases in which I have not done so. I may say it has been my invariable practice.

1552. Then you passed over these two tenders in order to save money ?—That is what I did it for. He would not have taken the contract, he told me so distinctly, and so did his security.

*By Mr. Wood :*

1553. Do you believe from your knowledge of these things that they could have

got them out for 25c. ?—They could not have done it. No man in Winnipeg could have done it.

*By Mr. Bertram :*

1544. You said yesterday, in evidence, that Mr. Alloway who had the contract for the freighting did not own horses, and had no way of his own of carrying out these contracts ?—That is right, Sir.

1555. You spoke also of a contract let for carrying goods across Lake Manitoba ?—Yes.

1557. How many tendered for that ?—None, Sir.

1557. I think you stated yesterday, that the contract was let to McMicken & Co. ?—That was not the same at all, Sir, that was in connection with the Indian Department. That was let to McMicken and Taylor.

1558. How many tenders did you receive ?—Seven, I think.

1559. And they were the lowest ?—Yes; they were the lowest. I have them all here.

1560. Are they in business in Winnipeg ?—They are not in business now, they failed.

1561. What business were they in ?—They were hardware merchants.

1562. Had they a considerable amount for carrying out a contract of that kind ?—They had not, but I took security from them; I have their bonds here with me, and they performed that service.

1563. So you often have contractors in the North-West, who being the lowest tenderers, get those contracts ?—Yes; we always give it to the lowest, and Alloway is not now performing any service for me in connection with going to the North-West Angle, because Mr. Whitehead had a tender at a lower rate than he.

1564. Will you tell the Committee how much you paid for the store-house in Winnipeg after you went there ?—A store-house was rented before I went, for one Department only.

1562. How much did you pay ?—\$30 a month; that was paid to McDermott, Bannatyne's father-in-law.

1566. No other Department ?—No; so far as I was concerned.

1587. That was the only store-house you had rented ?—That was all. Since that, we have three departments, and they are all in one.

1568. I understood you to say that you paid \$720 a year ?—No; we tried to get one for the Canada Pacific Railway, and that was what was asked from me by McKenna, and it was the only suitable building available in the city.

1569. Except this one you rented ?—Yes.

1570. So you made a saving of how much, as between two ?—Nearly \$300 per annum.

1571. You heard the evidence of Mr. Scott to the effect that you called at Thornton & Sutherland's and showed them Bannatyne's tender, is that true ?—No; it is not.

1572. Then it was utterly incorrect to say that you showed him Bannatyne's tender ?—Utterly incorrect, because I had no tender from Bannatyne. It was a tender of Andrew Strang's to which allusion was made.

1573. Did you show a tender by anybody ?—I did not, Sir. Never; then or at any other time.

*By Mr. Plumb :*

1574. Did Mr. Strang give security for any contract he had with you at any time ?—No, Sir; he did not.

1575. Is it your habit to take security ?—No, Sir; not now.

1576. Not at all. In what cases do you require security ?—I always take security in letting contracts for our mail service, which is very expensive.

1577. Do you for anything else ?—Not now.

1578. You were just saying that you took security for those ties ?—When I first

went there I did not know the merchants, or their standing. The first contract I let was to Higgins and Young for a large amount. The agreement with them is here. The Premier of the Province became one of their securities.

1570. What was the name?—Mr. Davis, Higgins & Young was the firm.

1580. Why do you make an exception; why do you require security in some cases and not in others?—I do not take security now at all, for I know the standing of the men. There are only four of them, Mr. Strang, Mr. Bannatyne—

1581. Is Mr. Strang a merchant?—No, Sir; not that I know of.

1582. You say you deal with merchants without security; but Mr. Strang is not a merchant. Why do you deal with him without security?—Because he is a man of means, I apprehend.

1583. But do you know?—Well, I do not know; he has his house and has also a lot of land.

1584. He is not a man in business?—He is not a man in business.

1585. What is his occupation?—He is manager in Bannatyne's establishment.

1586. Then I suppose you consider him the same as Mr. Bannatyne in making those contracts?—I do not make any consideration about it at all.

1587. Then you take no security from Mr. Strang, though it is the rule for you to take security from the people who are merchants?—I do not think that I put it in that way.

1588. Well, put it in your own way?—I said, that not knowing the parties I took security, and then only, and not a single instance so far as merchants are concerned. When I was there a year I got to know the standing of each.

1589. How did you know that Strang was a man of sufficient responsibility to execute his contract without security?—Because it was not necessary that I should take security from him. I go there and get the goods, and then—

1590. Where?—To the store in which he is manager.

1591. The goods are furnished by Bannatyne?—I get them out of the store.

1592. They are furnished from his store?—They are furnished from his store.

1593. They come out of his store?—Yes.

1594. What position does Mr. Strang hold in Mr. Bannatyne's store?—He is his manager, Sir.

1595. Does Mr. Bannatyne attend much to the business himself; is he there much?—Yes, Sir.

1596. Constantly there?—Yes.

1597. Of course he has seen Mr. Strang's transactions; he must know of them?—I do not know about that.

1598. Have you seen him there when Mr. Strang was delivering the goods?—I presume so.

1599. Have you seen him?—Certainly I have.

1600. When any tender has been made by Mr. Strang, have you considered it as an equivalent to a tender made by Mr. Bannatyne?—I do not enter into any consideration about it. All I wanted was to get the goods cheap.

1601. That is not what I asked you. I want to know if you considered a tender from Mr. Strang as being equivalent to one from Mr. Bannatyne, coming, as they did, from the same place, and Mr. Strang being his manager; I want to know your opinion?—I am not paid for forming opinions about Mr. Bannatyne's business.

1602. Do you know the witness Scott?—Yes.

1603. How long have you known him?—Three and one-half years.

1604. What character does he bear in Winnipeg?—I presume all right; I do not know anything about that.

1605. Do you know anything against him?—I know nothing against him.

1606. Do you know Hugh O'Donnell?—Yes.

1607. What is his occupation?—He is a packer in a wholesale grocery store.

1608. What store?—W. H. Lyon.

1609. Was he in the employment of Thornton & Sutherland at any time?—Yes; I think he was.

1610. Was he at the time the contract was made with them on the 26th of May—the one in which coffee was part of the supply?—I do not know; I cannot tell you that.

1611. Did he attend to the putting up of supplies when he was there?—Certainly.

1612. You do not know that he was in their employment at the time you made that contract?—I do not remember. He might have been there.

1613. You do not know that he was not?—No.

1614. Did you at any time go with Mr. Sutherland and inspect the coffee?—I did, Sir.

1615. Did Mr. O'Donnell tell you that the coffee was not first quality?—Not that I remember now.

1616. Perhaps you will try to remember as it is an important matter?—If O'Donnell was there he might have done that.

1617. Please try and refresh your memory for a moment, and answer the question as near as you can?—That is what I have been trying to do.

1618. I ask you again whether you remember that Mr. O'Donnell told you that the coffee was not of first quality?—I do not.

1619. You inspected it with Mr. Sutherland?—You know it took them, perhaps ten days to grind that coffee. I was to get those goods from May onwards until September. The coffee was not to be taken all at once, or to be ground all at once; and I went one time to see them grinding, and I found them roasting it and grinding the roasted coffee. I did not want them to give me coffee that was imported ground into the city.

1620. Did you go with Mr. Sutherland and inspect the coffee?—Yes; I think I did.

1621. You say that Mr. O'Donnell did not tell you that the coffee was not first quality?—I do not remember him or any one else telling me that.

1622. You would be likely to remember it?—Yes; I think so.

1623. Did O'Donnell bring from Swan River a quantity of sacks?—No; I do not think so.

1624. You do not know of any?—No; I do not.

1625. You are not quite sure?—No; my storeman would know.

1626. Now, with regard to that tender for beef of Mr. DeMers'; when you found you did not get a reply from Mr. DeMers, did you take any means to ascertain what was the cause of delay?—I did, Sir; so far as going to Mr. Gouin.

1627. Did you ascertain that he was at a greater distance from the telegraph office than you stated here, 25 miles?—I did not make that statement. It is in Mr. Gouin's letter; as laid before the Committee.

1628. Did you know, as a matter of fact, that he was further?—No; I heard it after the transaction, after Mr. DeMers was in Winnipeg.

1629. When were those tenders advertised to be in? I think you said the 15th of May, or something like that?—I do not remember the date, something like that.

1630. When was the beef to be delivered?—It was at various times; at the outposts in the North-West.

1631. Did you accept Thornton & Sutherland's tender for bacon; I refer now to the one of the 26th May?—I did not; it was got at Ingersoll by the Department.

1632. When did the Government inform you that they had purchased the bacon in Ontario?—I read a letter from the Secretary of State instructing me to purchase supplies from Thornton & Sutherland, but bacon was not mentioned.

1633. Did they supply any bacon at the prices they tendered at?—Not at that time for the North-West Mounted Police.

1634. But at prices they tendered for at any other time?—I suppose they did.

*By Mr. Cartwright:*

1635. Will you please explain briefly to the Committee, how it is that you are obliged to pay such enormous sums for transport, as you state, amounting to, I think, to as high as \$9 or \$10 per cwt. for the transport of goods about 150 miles?

—A good deal of those goods can go a certain distance in waggons, and then have to be packed on men's backs. I have had to get a gang of Indians in contract 15, in order to do that. The goods are sent to the North-west Angle. The Indians take them by canoes as far as possible, and then carry them on their backs across the portages.

*By Mr. Plumb :*

1636. That work is for — ? — The Canada Pacific Railway.

*By Mr. Cartwright :*

1637. But in connection with the payments to Mr. Alloway; you stated you were obliged to pay large sums to him for transport, amounting to \$6, \$7 and \$8 per cwt. That is an enormous figure, and I asked you to explain briefly how it comes that in the North-West such enormous rates are required? — That is on account of the distance. For instance, the distance to Edmonton is 1,000 miles, and we have to pay 10c. or 12c. a pound. One cent per pound per hundred miles is about what we pay, and sometimes we pay more. The distance to Swan River is 330 miles. Before I went to the Province a contract was made at 5c. per pound, with the Hon. James McKay. When I went there I paid 4c.; I now pay 3½c. to Mr. Alloway.

*By Mr. Haggart :*

1638. In the delivery of beef, you say, in your statement, that the tenders were solely for delivery at Fort Edmonton at 8c. per pound? — Seven and three-quarters.

1639. You said you had no tender for any point east of that? — That is right.

1640. Are those points east more easy of delivery than at Fort Edmonton? — For me they are; for him they would not be, because he comes by way of Montana in the United States. I send them from Winnipeg; it comes to me from Edmonton eastward. His offer was for dressed beef at all points south; I wanted no dressed beef except at Edmonton.

1641. Was it a longer distance from the point where he started to those different points east, than it would be to Fort Edmonton — a longer distance to him; I mean? — It was longer, because he had to pass through Edmonton, or nearly there, to come. He might come across the country to reach Qu'Appelle.

1642. When did you ship beef to the different points? — Some was to be delivered in July, some in August, according as the Indian Commissioner should reach the respective points where the Indians were to meet him.

1643. That was the time when it was wanted at the different points? — Yes.

1644. Was it absolutely necessary that the contract should be given at the time specified? — Absolutely necessary. Mr. McKay complained, because I had not given him timely notice.

1645. Was it that gentleman's name — some clerk in Mr. Bannatyne's store — Andrew — ? — Andrew Strang.

1646. He is a clerk in Bannatyne's? — He is manager.

1647. Why did you not ask security from him, when you asked security from Mr. Doupé and Mr. DeMorse? — Because I can get goods from a merchant by going to his store at once; I cannot get transport from persons not engaged in that business, unless I have security.

1648. What was Mr. Doupé's tender for? — Transport.

1649. And this Mr. Strang had no store in Winnipeg? — No.

1650. Then your answer does not apply; you say you can go to a merchant, but he is not a merchant? — Provisions and transport are entirely different.

1651. But the reason, you say, why you did not ask for security in some cases, was that you could go to the stores and buy the goods? — Yes; that is right.

1652. Then you must have understood at the time that it was Mr. Bannatyne who was supplying the goods, if Strang is a clerk? — Why should I? — When he and Mr. McDermott sent me in a tender, I went to the store and got the goods.

1653. You give as a reason for not asking security from this man—who is only a manager for another man—that you can go to a merchant's store and get the goods. Now, he had no store—no goods there. You have asked securities from other persons?—Not since 1875; from any merchant in Winnipeg.

THOMAS NIXON.

RAILWAY COMMITTEE ROOM,  
SATURDAY, 20th April, 1878.

Committee met.—Mr. YOUNG in the Chair.

Mr. THOMAS NIXON called and further examined:—

*By Mr. Macdougall (Elgin):*

1654. The other day, when you were speaking of the DeMers tender, I understood you to say that the beef you required at that time was dress beef?—Yes, Sir.

1655. And the contract which you subsequently gave to Mr. McKay was for dress beef?—Yes, Sir.

1656. Now the tender or application of Mr. DeMers for the sale of beef to you was for live beef?—Entirely.

1657. How would the prices correspond as between the live beef and the dressed beef?—There would be very little difference for the two places—for there were only two mentioned in Mr. DeMers' tender.

1658. Allow me to ask you this in way of explanation: I understood you to say the other day that the rule was that the price of dress beef was double that of live beef; am I correct in so understanding that?—Yes, Sir; that is the difference between them.

1659. Have you under your hand the prices at which Mr. DeMers tendered for the live beef?—Yes, sir.

1660. You mentioned them the other day—may I trouble you to recapitulate them?—The only places where I wanted beef which he mentioned in his offer were Fort Pitt and Qu'Appelle Lakes. Fort Pitt, live weight only, 5c. per lb., and Qu'Appelle Lakes, live weight only, 7c. per lb. This (holding up a paper) is a copy of the letter Mr. DeMers sent; I have had no other.

1661. Those were the only places where you required beef for which he tendered?—Those were the only places. There were other places mentioned in his offer, but I did not require any beef at the points.

1662. Then I understand you that the beef you required, being dress beef, the cost to put it in the condition you required it to be in would be just twice the price there given?—Yes, sir. In one case it would be 10 cts., and the other 14 cts.

1663. That would leave an average of 12 cts.?—Yes, that is correct.

1664. What did Mr. McKay tender for? What was the contract price paid Mr. McKay for the dress beef?—12 1/2 cts. Then, it should be remembered, I would have had DeMers' cattle killed.

1665. What would have been the difference on the whole?—Very little.

1666. I mean as between DeMers' prices and the price at which you gave the contract to Mr. McKay?—It would be lower at Fort Pitt and higher at Qu'Appelle Lakes. The difference on the whole would be very little.

*By Mr. Mills:*

1667. Which of these places required the most?—A little more was required at Fort Pitt. The quantity for that place was 30,000 lbs., and 27,500 lbs. for Qu'Appelle Lakes.



*By Mr Plumb :*

1668. That makes 57,000 lbs. ?—Yes, Sir.

1669. Where was the other required ?—At Fort Carlton.

*By Mr. Langevin :*

1670. What was the quantity required at Fort Pitt ?—30,000 lbs.

*By Mr. Plumb :*

1671. Will you please state the places at which beef was required and the amounts ?—July 23<sup>rd</sup>, 24,000 lbs. at Fort Carlton, no offer from Mr. DeMers; July 30<sup>th</sup>, 50,000 lbs. at Fort Pitt, DeMers offer, for live weight only, was 5c. per lb; August 1<sup>st</sup>, 9,000 lbs. at Prince Albert, no offer from DeMers; August 13<sup>th</sup>, 7,500 lbs. at Victoria, no offer from DeMers; August 16<sup>th</sup>, 4,000 lbs. at Fort Ellice, no offer from DeMers; August 20<sup>th</sup>, 3,000 lbs. at Edmonton, no offer from DeMers. No, I am wrong there. There is an offer at 4c. per lb. live weight for Edmonton. August 27<sup>th</sup>, 3,600 lbs. at Touchwood Hills, no offer from DeMers; September 3<sup>rd</sup>, 27,000 lbs. at Qu'Appelle Lakes, live weight only, offered by DeMers at 7c. per lb; September 14<sup>th</sup>, 1,000 lbs. at Fort Pelly, no offer from DeMers; total dressed beef required, 109,000 lbs.

1672. I thought it was 160,000 lbs; how much was the contract given to Mr. McKay ?—As I mentioned, Sir; 109,000 lbs.

1673. How much did you advertise for ?—I have not the advertisement here. I presume it would be for that amount.

1674. I would like to see the advertisement for tenders ?—Here is the agreement between the Queen and James McKay (producing it.)

1675. Did Mr. DeMers have notice that you required beef delivered at the points you have detailed ?—Certainly Mr. DeMers did not.

1676. Then how could he tender for those points ?—I never said he tendered; I used the expression "offer." I never had a tender from him.

1677. But there was an offer from him before ?—I think the Department had, on the previous October; but it was not ratified by me.

1678. What was the nature of your communication to Mr. DeMers ?—I never had any. I had a conversation with two persons who reported themselves as his agents.

1679. What was the nature of the communication with them ?—An offer to enter into contract with them on behalf of DeMers.

1680. But was not his tender considered or proposed ?—They spoke to me about 8c. per pound. My tenders had already been opened, and the prices were 12½c. and I was extremely anxious to get beef at 8c. if I could.

1681. Did they make a tender at 8c. ?—They did verbally, as I stated the other day.

1682. You had a statement from Mr. DeMers before ?—I had none besides the one here.

1683. You had something from the Department ?—The previous October, and he stated to the Department that unless he knew by the 1<sup>st</sup> of March he would not hold himself bound; and I did not receive notice from Mr. Provencher, of Winnipeg, until the month of May.

1684. You proposed to the gentlemen with whom you had the conversation in Winnipeg, that you would give them the contract if they would communicate with Mr. DeMers ?—That is right.

1685. You knew that Mr. DeMers lived in Montana ?—Yes, Sir.

1686. If you were anxious to get beef at 8c. why did not you give them a longer time to get a reply ?—As I explained the other day. I waited 14 days.

1687. I want to ask you again what I asked you just now—that inasmuch as those deliveries were to be made, the first on the 30<sup>th</sup> July, another on the 27<sup>th</sup> July, others on the 1<sup>st</sup>, 13<sup>th</sup>, 16<sup>th</sup> and 20<sup>th</sup> August, and a large one on the 3<sup>rd</sup> September,

could you not have given more time to hear from Mr. DeMers?—I had given 14 days.

1688. You only gave two days?—I beg pardon; I gave 14 days.

1689. You stated that you gave two days?—I said that his agents ought to be able to get me an answer in two days. They did not get an answer, and Mr. Royal, sent me a note asking me to extend the time, and I did so. I gave 14 days altogether.

1690. Did you take any means of ascertaining why you did not hear from Mr. DeMers?—I certainly did; I went to Mr. Gouin and enquired about it.

1691. Did you ascertain whether the telegraph station had been communicated to learn whether he lived near to it or not?—No, Sir; I did not. I had Mr. Gouin's own word, and he appeared to be Mr. DeMers' agent, that he only lived a distance of twenty-five miles from the telegraph station. His letter, which I have put before the Committee, states that.

1692. Would it have been detrimental to the public service to have given more time to hear from Mr. DeMers—say two or three days more?—I might have waited until now.

1693. I did not ask you that; I asked you would it have been detrimental to the public service to have waited two or three days longer?—I wanted to send 24,000 pounds of beef to Carlton by the 24th July; that afforded me two full months, from the 24th May to the 24th July. It is 500 miles to Carlton, and the beef had to be driven there on foot; and I ask yourself whether I could have done other than I did. I had sixty days to have beef driven 500 miles, which had not yet been purchased, because Mr. McKay had not the beef on hand.

1694. Who fixed the time for sending beef to Carlton by the 24th July?—The Hon. Mr. Laird.

1695. Would any delay after that time have been detrimental to the public service?—Well, the Hon. Mr. Laird was 700 miles from me.

1696. When did you hear from Mr. DeMers that he would fulfil the contract?—On the 26th May.

1697. On what date was your first communication with Mr. Gouin?—I presume it was on the day that I opened the tenders.

1698. What date was that?—I think the 10th May, Sir.

1699. That is sixteen days instead of fourteen days?—That is correct.

1700. Then, if you had waited those sixteen days you would still have been in time to reach Fort Carlton?—No, Sir; I would not. If you will permit me, Sir, I will explain. Mr. DeMers' cattle were somewhere in the North-West Territory at the time, and Mr. DeMers was in Montana, living, as has been stated, 125 miles from a telegraph office. He would have had to send a man after his cattle which were travelling onwards towards Winnipeg, and if he had received the contract, they would have had to be driven on foot, to be delivered at the respective points I have before mentioned.

1701. That would have been his affair, if he is a responsible man?—It was my affair. I had to see that the beef was delivered at these points on the respective dates.

*By Mr. Wood:*

1702. You did not know you would get a reply in another two days?—No; I had already waited fourteen days.

*By Mr. Plumb:*

1703. I want to ask you whether it was important to close the matter with Mr. McKay on the fourteenth day—whether it was absolutely necessary, in order to reach those points that you proposed to reach?—Certainly, Sir.

1704. It was the 10th May on which you opened the tenders?—Yes, Sir.

1705. And it was on the 24th that you made the contract with Mr. McKay?—Yes, Sir.

1706. But, under any circumstances you state that Mr. McKay's tender was the lowest; you state that you saved money by giving the contract to him?—That is according to the offer which Mr. DeMers made. The document is here; and it will be seen that Mr. DeMers really made no offer for dressed beef at all, at any single point where I wanted it.

1707. He did not know that you wanted it at those points?—Well; that is not my fault.

*By Mr. Langevin:*

1708. Mr. Macdougall put two or three questions to you at the beginning of to-day's examination, and I could not exactly understand how the matter was. You said that there was a tender received for 5c. and 7c.?—An offer.

1709. By whom was that made?—By Mr. DeMers, Sir.

1710. Five cents was for?—Live weight.

1711. At Fort Pitt?—That is right, Sir.

1712. And what is the other place?—Qu'Appelle Lake.

1713. That was at 7c.?—Yes.

1714. What was the quantity required for Qu'Appelle Lake?—27,000 lbs.

1715. And that was at 7c.?—Yes, Sir.

1716. And you doubled that price?—I am not sure whether we would not require to do a little more for grass-fed beasts. That is my judgment, and I have had a little experience.

1717. You stated, yesterday, and I want you to be very careful about what I say to you, because I want you to have an opportunity of stating exactly how the case stands—that by accepting the tender made by Mr. McKay, in preference to that of Mr. DeMers, you saved money to the Government. I wish you to see about those two points before you persist in that statement; I wish you to see whether you are right or wrong in making it?—I would have had to kill the beasts if I had accepted Mr. DeMers' tender, and I would have had to pay for that. He would have delivered them to me live weight, and I had to furnish dressed beef. The requisition from the Hon. Mr. Laird was for dressed beef.

1718. But does not the difference between the live weight and the dressed beef include the price of killing?—It does not, Sir.

1719. Then it is only the difference between the dressed beef and the live weight that makes the price about double?—That is correct, Sir.

1720. So that the cost of 30,000 lbs. to be delivered at Fort Pitt at 10c. per pound, which would be doubling Mr. DeMers' price for live weight, would be \$3,000?—That is right.

1721. Well, comparing that with the 12½c. that you gave to Mr. McKay for the same, it leaves \$750 in favor of Mr. DeMers' tender?—Yes, Sir.

1722. Do you say that difference would make up for the killing?—Oh! no, Sir.

1723. If that difference were 1½c. it would make \$400; and deduct that from \$750, you have \$350 left. Would that be sufficient or insufficient to meet the killing of those animals?—It would be just about sufficient.

1724. Then, in that case, you saved nothing?—No, Sir. I might say a little more to you, viz.: That I am not offered fat beef at all. I am offered cows, bulls and oxen, and I could not have accepted those.

RUSSELL HOUSE, OTTAWA, 3rd October, 1876.

Sir,—I beg to tender for the supply of cattle, either live or dressed weight, to the Indians in the Province of Manitoba and the North-West Territories, which has or may be decided by the Department of the Interior—

1st. I will undertake to deliver cattle, dressed weight, in any quantity and at any one given point south of Edmonton at seven cents per lb., or 3½c. live weight, the duty being paid by myself, on the condition that the quantity to be supplied and the place of delivery made known to me on or before the 1st day of March, 1877.

1726. Does he not speak of dressed meat at 7c.—At no point south of Edmonton.

1727. That was not the place where you wanted it?—I wanted it at no place south of Edmonton.

1728. But the tender says at Fort Pitt and other places?—Yes, Sir; but they are east and north.

1729. In one of the cases for which DeMers tendered, the difference of price was in his favour, and in the second it was against him?—Yes, Sir.

1730. And deducting \$400 from \$750 it leaves \$350, to cover the killing of the animals?—Yes, Sir.

1731. Would that bring it up to about the same price?—Yes, just about the same price.

1732. And the Government made neither profit nor loss by that?—No, Sir.

1733. What about those cattle for stocking farms?—I did not require any for that purpose; and that was an offer I could not entertain.

1734. I understood you to say, the day before yesterday, that you had other tenders waiting for your return?—Yes, Sir.

1735. What are they for?—They are for Indian supplies in the North-West Territories of Manitoba.

1736. What are the articles to be furnished, generally?—Tea, tobacco, flour, ploughs, waggons, harness and various articles.

1737. What do you expect the whole amount to come to?—I have not made a calculation.

1738. Did you not ask for the same last year?—Yes, Sir.

1739. What did it amount to last year?—I do not remember; about \$30,000 or more.

1740. Had you an advertisement sent from headquarters to you at Winnipeg, or did you make it yourself?—I made it myself from the requisitions of Hon. Mr. Laird and Mr. Provencher, the Commissioner.

1741. Was that published in the papers there?—Yes, Sir.

1742. How long?—I do not remember; a considerable length of time.

1743. About what time?—I presume nearly a month.

1744. Was that published in the same papers that you published the other advertisement in respecting the ties?—I really do not remember whether it was published in all the papers or in more than one.

1745. Two or three?—There are only three in our post.

1746. At least two?—I am not sure; I am only satisfied about the daily paper.

1747. You are sure it was published in the daily paper?—Yes, Sir.

1748. You are not sure it was published in the French paper?—I do not think it was.

1749. Do you not think it should have been published in both?—Well, yes, Sir, I think it should. I think the tenders for ties were published in both.

1750. Were there any conditions attached to the contracts which you advertised there?—All tenders to contain the signatures of two responsible persons willing to become security for the fulfilment of the contract.

1751. Is that the advertisement you are reading from?—No; this is for this year; but, before I left, I instructed my accountant to get the advertisement up in exactly the same shape.

1752. This is the advertisement this year?—Yes; (handing it to Mr. Langevin.)

1753. I find that it reads:

"Sealed tenders (marked for North-West Superintendency, Indian Department) will be received at the office of the undersigned up to noon on Thursday, the 25th day of April next, for the following Supplies required by the Indian Department for the North-West Superintendency, viz.:

\* \* \* \* \*

"Tenders to state, 1st. Price of foregoing delivered at Winnipeg.

"2nd. Price of foregoing, including freight delivered at the following places in such proportions as may be required, viz.:

\* \* \* \* \*

"Samples to accompany tenders.

"Tenders will also be received up to the same date for the freighting only of the above mentioned Supplies.

"All tenders to contain the signatures of two responsible persons willing to become security for due fulfilment of contract.

"Any further particulars may be had on application to the undersigned.

"The lowest or any tender not necessarily accepted.

"THOMAS NIXON,  
"Purveyor.

"Office of the Purveyor of Indian Supplies,  
"Winnipeg, Man., March 18th, 1878."

\* \* \* \* \*

"Sealed tenders (marked for Manitoba Superintendency Indian Department) will be received at the office of the undersigned up to noon on Thursday, the 25th day of April next, for the following Supplies required by the Indian Department for the Manitoba Superintendency, viz.:

\* \* \* \* \*

"Tenders to state, 1st. Price of foregoing delivered at Winnipeg.

"2nd. Price of foregoing, including freight, delivered at the following places in such proportions as may be required, viz.:

\* \* \* \* \*

"Samples to accompany tenders.

"Tenders will also be received up to the same date for the freighting only of the above-mentioned Supplies.

"All tenders to contain the signatures of two responsible persons willing to become security for due fulfilment of contract.

"Any further particulars may be had on application to the undersigned.

"The lowest or any tender not necessarily accepted.

"THOMAS NIXON,  
"Purveyor.

"Office of the Purveyor of Indian Supplies,  
"Winnipeg, Man., March 18th, 1878."

1754. You do not put in any condition about the deposit money?—No, Sir.

1755. No deposit is required by this?—No.

1756. Were you instructed from headquarters in Ottawa to ask for a deposit of \$1,000 or less, or more?—No.

1757. Were you not instructed that there should be a certain amount put in the hands of the Government until the contract should be fulfilled—five per cent.?—No, Sir.

1758. Did you put in these conditions about two sureties by order of headquarters at Ottawa?—I do not know that I did, Sir.

1759. Last year, when you put in your advertisement, was it by order from Ottawa?—I do not think it, Sir.

1760. You put it in on your own responsibility?—Yes; I think so.

1761. But you are not sure whether you published it in that French paper?—I do not really know, Sir.

1762. Because you left you do not really know whether it was so published; is that the reason?—Yes; that is correct.

1763. But you believe that it would be just to that portion of the population, that they should have it in their own language?—Yes, Sir.

1764. It would be advantageous to the Government?—Well, I do not think it would be, Sir. The paper has an exceedingly small circulation.

1765. Does not it circulate amongst the French population?—I presume it does.

1766. Are none of these men able to tender?—I do not think any of them are.

1767. No French in the North-West that could tender for anything you want?

—None, that I know of.

1768. Could there not be some without you knowing?—Certainly there might.

*By Mr. Plumb:*

1769. Now, Mr. Nixon, I observe on reading over this tender of Mr. DeMers, which is dated the third of October, that he uses the following language:—"I beg to tender for the supply of cattle, either live or dressed weight, to the Indians in the Province of Manitoba and the North-West Territories, which has or may be decided by the Department of the Interior.—1st. I will undertake to deliver cattle, dressed weight, in any quantity at any one given point South of Edmonton at 7c. per lb., or 3½c. live weight, the duty being paid by myself, on the condition that the quantity to be supplied and the place of delivery made known to me on or before the 1st day of March, 1877." Did I understand you to say that you considered "South of Edmonton" meant the points directly south, or that it might have meant south-east? Do you suppose he intended in stating "South of Edmonton" to restrict his offer to points south of Edmonton?—Certainly, because he mentions one point at a very low rate.

1770. Which point?—Fort McLeod, to which place I was not sending supplies.

1771. He says, in the second section, "I will undertake to deliver, in the course of the summer, first-class stock cattle (Durham breed), such as milch cows, bulls and working oxen, at the following places for the figure opposite each respective place, to wit:—

At Edmonton, for 4c. per lb., live weight.

At Battle River, for 4½c. per lb., do

At Pitt, for 5c. per lb., do

At McLeod, for 3½c. per lb., do

At Qu'Appelle, for 7c. per lb., do

At Winnipeg, for 8c. per lb., do

I beg respectfully to call your attention to the fact that in most cases cattle shipped for the butcher shops can be sold at a figure below the price obtained for cattle selected for stocking a farm, in which case the breed, the age, the soundness and the working quality are exclusively taken into consideration. The above schedule is made in that view." Now, could you possibly have understood this second section to be intended for cattle to be slaughtered?—No, Sir; I did not understand it at all. It was no tender.

1772. Yes, but you have been stating that the prices DeMers made of 4½c., 5c., 3½c., 7c. and 8c. were such as you could not accept for cattle to be slaughtered. You have based your statement in regard to the acceptance of Mr. McKay's tender upon the fact that these prices were made by Mr. DeMers for cattle to be delivered for the same purpose. Now, he expressly says it is for stocking farms, or for the Indians, that he will send you bulls, milch cows and working oxen, therefore, there must be a mistake somewhere?—But it is not with me; it is with Mr. DeMers.

1773. But he states expressly that he does not make a tender for that purpose?—I did not want them for that purpose. I did not want any except at Winnipeg; I did want a few at Winnipeg and he asks 8c. a pound for them.

1774. But that was for stocking farms with?—I wanted a few at Winnipeg for that purpose.

1775. For what purpose?—For stocking farms; I wanted oxen.

1776. Then it is not proper to speak of them as compared with oxen to be delivered for dressed beef. I only wanted to ask you whether the comparison you made in the price of beef was a fair one; when he states expressly that the cattle he tendered for there were for farm-stocking purposes and not for slaughter?—I had nothing to do with DeMers; what I should have done was to have burnt up his letter.

1777. I only wish to draw your attention to the fact that you must have overlooked—?—That is the only offer I had; I could only base it on the figures.

1778. I ask you if it is an offer of cattle for slaughter purposes?—No, Sir, it is not.

*By Mr. Mills:*

1779. Will you state when you advertised for supplies last year?—I think it was in April.

*By Mr. Bowell:*

1780. What kind of supplies?—Indian supplies.

*By Mr. Mills:*

1781. Do you remember what length of time parties were given to put in tenders?—Nearly a month, if I remember aright.

1782. What was the date mentioned in the advertisement, as the one on which the tenders were to be opened?—I think, Sir, it was the 1st of May, and then the time was extended, if I mistake not.

*By Mr. Plumb:*

1783. Is that the beef contract?—All the contracts, including the beef. The time was extended by the Department until the 10th.

*By Mr. Mills:*

1784. Had you any communication with the Department as to the reason for extending the time?—Yes; I think it was done so that the merchants of Ontario and Quebec should have an equal chance with those at Winnipeg.

1785. Will you state to the Committee when you received that letter which DeMers had addressed to the Department, offering to supply beef?—I think, Sir, it was the 7th day of May, five days after it was dated.

1786. Then it was dated the 2nd of May?—Yes.

1787. Will you look at the file and say when the letter was addressed to Mr. Provencher?—That was addressed on the 12th of October, 1876.

1788. Were you purveyor for the Indian Department at that time?—No; I was not.

1789. When were you appointed purveyor?—Either in February or March of the succeeding year.

1790. And it was not then until after the period had expired at which tenders were to have been received that this letter of Mr. DeMers was transmitted to the Department?—No, Sir; it was not until after they were to have been first received, but it was before the expiring of the extension. The date of the extension was the 10th; I received it on the 7th.

1791. Would you infer from that letter that Mr. DeMers would have tendered at all at the time mentioned?—I would not. That was my opinion at the time, because he said he must know before the 1st of March.

1792. That was before the time for which tenders were asked for at all?—Yes.

1793. Did you consider the extension of the time inconvenient in the public interest?—No, Sir; not at the time. I did not think the ten days any inconvenience at the time.

*By Mr. Plumb:*

1794. What ten days is that?—The time from the 2nd to the 10th; the time for opening the tenders.

1795. That is eight days; was the 10th the day for opening the tenders?—

*By Mr. Mills:*

1796. Was it the 10th or the 12th?—Probably it was the 12th; I think ten days was the time.

1797. When you speak of the offer being made to you by Mr. DeMers, which induced you to extend the time for two days first, and ultimately for fourteen days, do you refer to the offer made in this communication or to the one made by his agents?—To the verbal offer made by his agents. I would have entered into a contract that day with them if they would; both of them were present—Mr. Gouin and Mr. Royal—but the latter, whom I supposed to be his solicitor, would not agree to it.

1798. That verbal offer made by his agents was, in your opinion, a much more advantageous offer than the one in his communication to the Department?—Of course; I could not have entertained that one at all, because he stated that he must know before the 1st of March.

1799. So that the reason for extending the time was not this communication at all?—No, Sir.

1800. The verbal offer you considered more advantageous than any formal tender?—Certainly.

1801. And that induced you to extend the time?—Yes.

1802. You extended the time for fourteen days, did you not?—Twelve or fourteen days.

1803. Did Mr. Royal or the other agent ask you to extend the time further?—No; for Mr. Gouin distinctly stated it was no use waiting longer.

*By Mr. Langevin:*

1804. Mr. Gouin told you that?—Yes.

1805. He is Mr. DeMers' agent?—Yes; one of them.

*By Mr. Mills:*

1806. Why did he make that observation?—Because he could not hear from him, the supposition being that Mr. DeMers had left with his cattle.

1807. Were the cattle being brought to Winnipeg in consequence of any arrangement between the Government and Mr. Gouin?—No, Sir.

1808. At what time did you accept the tender of Mr. McKay and close the contract?—It would be about either the 22nd or the 24th.

1809. Of May?—Yes.

1810. Well, do you think you gave Mr. McKay sufficient time to deliver his supplies of beef at the various points?—I scarcely did, and he complains since that I had not treated him fairly—that I had not given him as much time as I ought. For instance, he had sixty days to deliver at Fort Carlton, and he had to buy the cattle as well.

*By Mr. Langevin:*

1811. At Fort Carlton?—Yes; he would have sixty days, and he would have to buy the cattle after the contract was signed.

*By Mr. Mills:*

1812. Then your reason for extending the time from the 10th to the 24th of May was solely in order to give Mr. DeMers an opportunity of tendering at the low rates which his agents offered?—That was my sole reason.

1813. As a matter of fact, were those supplies pushed forward to those various points at the time mentioned?—They were not; they did not reach there.

*By Mr. Bowell:*

1814. I understood you to say, in computing the different prices for those cattle, that the prices offered on behalf of Mr. DeMers in this communication of the 2nd May, were about equal to that paid to Mr. McKay for dressed beef?—About that, Sir.

1815. Did you make that computation on those prices here?—I only had the two places—Fort Pitt and Qu'Appelle Lake.

1816. Did you compute them on those prices?—For those two points; yes, Sir.

1817. You said that those were cattle that were not fit for beef. That was what I understood you to say?—Yes, Sir; that is what I said.



1818. If you had purchased them you would have had to fatten them?—I supposed we would.

1819. How are cattle usually fattened in that country?—By eating, Sir.

1820. Stall feeding?—No, Sir.

1821. Grass?—Yes, Sir.

1822. Do you receive any other class of cattle for beef other than those that are fattened upon the prairie?—No, Sir; I never did.

1823. When you made this computation did you not know that the cattle offered at those prices were not for beef?—Yes.

1824. You knew that?—I knew that, Sir. That was brought to my attention more particularly in reading over the document since.

1825. Did you tell the Committee that you had not read that document?—I did not, Sir. I remember that I thought his (DeMers) agent—

1826. Never mind his agent; you made the computation as to the relative prices between the 12<sup>th</sup> c. for dressed beef, which was McKay's price, and those prices given in the document referred to?—Yes, Sir.

1827. Did you not know when you made that computation that those prices were for live meat to stock farms and not for killing purposes?—Yes, Sir.

1828. Then when you made this computation you had not read this paragraph which follows?—I must have read it all.

1829. "I respectfully call attention to the fact that cattle shipped for the butcher's shop can be shipped at a figure below the prices quoted above?"—Yes, Sir.

1830. Then you could not have made any correct computation as to the prices at which you could have received that beef?—No, Sir.

1831. Because your calculation was based upon wrong premises?—You see I had no other figures.

1832. Have you been in communication with any person in connection with this examination since you came to Ottawa?—I scarcely understand your question.

1833. Have you been in communication with any person, a member of the Committee or otherwise, in relation to this examination?—Why certainly, Sir.

1834. With whom?—With Mr. Macdougall.

1835. Did you suggest any question for Mr. Macdougall to put to you?—I have no doubt I may have done so. Mr. Macdougall could answer that question himself better than I can.

1836. And you did suggest to Mr. Macdougall certain questions which you thought would explain this matter, if brought out through those questions?—It is very probable I did, Sir. Allow me to say that three or four gentlemen of the Committee asked me to tell them any questions which I would like to have put.

1837. I do not care about that?—But I do. I refused. Mr. Wood was one of the gentlemen I have referred to; and I gave him no questions. One or two other gentlemen asked me and I gave them no questions. But as I had some conversation with Mr. Macdougall, and Mr. Macdougall only, I may have done so. I have been extremely reticent in the whole matter; extremely so.

1838. I do not think there is any crime attached to it?—No, Sir; but you ought to treat me fairly about it. I assure you that I have kept myself particularly free from anything of the kind.

1839. How long have you known Mr. Scott?—Three and a half years.

1840. Have you been in constant communication with him during that time?—I think so.

1841. Have you had any difficulties with him in any way?—No; Sir.

1842. Then you know no reason, Mr. Nixon, why Mr. Scott would state that which you have already stated is not true?—No particular reason.

1843. Did he, to your knowledge, have any personal or pecuniary interest in stating an untruth with respect to yourself?—I should hope not.

1844. Well, do you think so?—No; Sir.

1845. You stated that you never took Mr. Bannatyne's tender to Thornton and

Sutherland's office and explained to Mr. Sutherland the fact that Mr. Bannatyne's prices were lower than his?—No, Sir, I did not.

1845. You stated that you never took Mr. Bannatyne's tender to Thornton and Sutherland's office and explained to Mr. Sutherland the fact that Mr. Bannatyne's prices were lower than his?—No, Sir; I did not.

1846. You never did?—No, Sir.

1847. Did you take the tender of Mr. Strang there?—No, Sir; I did not.

1848. Then the statement made by the witness, Scott, in reference to that interview between you and Mr. Sutherland is incorrect?—It is, Sir.

1849. You never took any tender to Mr. Sutherland?—I never took any tender to him.

1850. Of any kind?—No, Sir; never.

1851. Did you receive two tenders from Thornton and Sutherland for those supplies?—I did not, Sir.

1852. Did you ever see Messrs. Thornton and Sutherland's letter books?—No Sir.

1853. Then you do not know whether the statement of the witness, Scott, that the first tender was torn out and the second one entered, is correct?—I know nothing about that.

1854. In this instance, did Messrs. Thornton and Sutherland tender for bacon?—They did, Sir.

1855. And did you receive any from them?—Not on that contract, Sir.

1856. Did you on any contract?—I purchased some from them.

1857. Did you purchase on a contract, or was it a private bargain?—I do not know; I think it was a private bargain. I wanted some rations for men going to the North-West Angle, on the Canadian Pacific Survey, and I bought it from Thornton and Sutherland at the price mentioned in that tender.

1858. Then you bought without contract?—Yes, Sir; but that contract was for the North-West Mounted Police, and there were five tons required, which were purchased at Ingersoll.

1859. What I asked you was whether you got any bacon from Thornton and Sutherland on that contract?—No, Sir; I may say not. But, lest there should be any error, I said I did buy some from them at the price mentioned in that tender, but it was not for that purpose. The bacon for that purpose was bought in Ontario.

1860. Will you show me your private account with the firm? (Witness handed Mr. Bowell the account).

1861. Where is the first account that you received?—I have not kept it.

1862. Where is it?—I have not it at all, Sir.

1863. Is this the only one you ever received?—No, Sir; I received another account.

1864. Where is that?—It is destroyed. This is the only account I have.

1865. Why did you destroy it?—I did not want it, Sir.

1866. Had the other account that you destroyed any credits on it?—Yes Sir.

1867. How was the account balanced?—I paid \$306.

1868. This account came up to June 18th, 1877?—Yes; that is right.

1869. The original account, I suppose, is up to 1876 or 1875—which?—I think it would be 1876; it would be later than 1875, certainly. But that covers the whole ground, certainly.

1870. This was made out at a later period?—Yes, Sir.

1871. It was made out at the time when Sutherland claimed payment for your full account, including the cutter?—Yes, Sir.

1872. What I want to know is why you destroyed the other account?—When I got that account I destroyed the other.

1873. Can you explain how the other account was balanced?—I cannot at the present moment, but to the best of my recollection it showed a balance of \$306.

1874. Was that not a balance of \$306.50 cash?—No, Sir; it was not.

1875. Were there no credits on it to profit and loss?—No, Sir; there were not. I never knew anything about my account being closed in that way in my life.

1876. You never had any knowledge that your account was closed by being credited to profit and loss?—I never did.

1877. And the first you heard of that was here?—It was, I assure you. I never heard of it before.

1878. The witness, Scott, if my recollection serves me right, stated that receipts had been given, and he saw the receipts in Mr. Suthorland's office?—Yes, Sir.

1879. You had no knowledge of that, either?—No, Sir.

1880. You never received any receipt?—I never received any receipt other than that I told you of, which showed a balance of \$306.

1881. Now, with reference to the cutter. You asked the witness, Scott, when he was giving his evidence, whether he did not know that you had given a cheque in payment for the cutter?—Yes, Sir; I did.

1882. Did you not know, when you asked that question, that that cheque had been returned to Mrs. Nixon?—I did, Sir. It had not been returned to me, and I was bound to pay for that cutter, Sir. I did not give it for the purpose of having it returned.

1883. I simply asked you if you did not know, when you asked that question, that that cheque had been returned?—Yes, Sir; I understood that.

1884. Then, if the witness had not known that that cheque had been returned, I do not suppose that you would have informed the Committee of it. Would you?—If I had been asked, most certainly. You have asked me such questions as if I had received any presents, and I could do nothing than what I did in that instance.

1885. How long after you gave the cheque did you find that it had been returned?—A few days, Sir; Mrs. Nixon told me about it.

1886. A few days afterwards?—Yes, Sir.

1887. It is not paid for now, I suppose?—It is not, Sir.

1888. Then it was not through your bank book that you found the cheque had not been cashed?—No, Sir.

1889. It never was cashed?—I do not think it was ever cashed; it is two or three years ago now.

1890. You are in the habit, I suppose, like most men, of reading the newspapers?—Yes, Sir.

1891. Do you ever read the Ontario papers—the *Mail* or the *Globe*?—I always faithfully read the *Globe*.

1892. You read, I suppose, the proceedings in Parliament in reference to action being taken against the Government for having given certain work and other things to members of Parliament?—Oh, yes. Certainly I read the debates.

1893. Have you any recollection as to what time that was?—I have not.

1894. It was last session, was it not?—Yes; it was some time last session.

1895. Do you remember the time that Strang and McDermott tendered?—I do, Sir.

1896. What time was that?—Mr. McDermott tendered in May, 1877, and Mr. Strang tendered in January, 1877.

1897. In May last?—May, 1877. Strang tendered in January, 1877.

1898. You have already told the Committee that Strang was manager for Mr. Bannatyne, and that Mr. McDermott is an old gentleman of eighty-four?—About eighty, I suppose.

1899. And father-in-law of Mr. Bannatyne?—Yes.

1900. Did you know that those gentlemen's names were used to cover up supplies to be furnished by Mr. Bannatyne?—I did not know anything about that. I did not know what arrangements there were between those parties; I have stated that again and again. I was fully examined on that point the other day when you were not here.

1901. Did not you believe that those names were used in order to cover a contract with a member of Parliament?—No, Sir; why should I know it.

1902. Is Mr. Strang a wealthy man?—I do not know.

1903. Does he carry on any business?—No; I do not know that he has. He is

a brother-in-law of Mr. Turner, of Hamilton, who has a wholesale business in Winnipeg, and his brother Robert is manager of that business. Strang, for anything know, could get his goods there.

1904. You have already told the Committee that the supplies that were furnished under Strang's contract came from Mr. Bannatyne's store?—Certainly.

1905. Now, I do not want to know anything about Mr. Turner, unless you tell me that he supplied those goods?—I might tell you that and then be within the truth.

1906. Did Mr. Bannatyne supply the goods?—Yes; I presume he did.

1907. What I want to know from your own personal knowledge, is whether Mr. Strang was a man of such a position, business or otherwise, that you would give him a contract without asking him for security?—Yes; I would.

1908. That is from his general reputation?—Certainly, Sir.

1909. Not from any wealth you know him to possess?—No; I do not know how wealthy he is.

1910. How is it with Mr. McDermott?—In the same way.

1911. Is he a man of property?—He is reported to be the richest man in the Province.

1912. He is not in business?—No; not now. He used to be.

1913. Did not you know that when McDermott or Strang tendered, both of these gentlemen were tendering for Mr. Bannatyne?—No, Sir; I do not see how I could say anything of the kind.

1914. Do not you know it as a matter of fact?—No, Sir; I do not.

1915. Though you know the supplies were furnished by Mr. Bannatyne?—I got them from Mr. Bannatyne's store.

1916. Is it the rule to ask for security?—No, Sir; not from the Winnipeg merchants. I answered that before very fully.

1917. But you did from other parties outside?—I did always for my mail contracts. It depends entirely on the nature of the contract.

1918. I think I understood you to say that in asking for those tenders of Bannatyne's—those that were read the other day—I think you stated to the Minister of the Interior just now, that you generally gave a month's notice?—No; I did not state that.

1919. Was that only for particular articles?—No; that was only with reference to one particular advertisement.

1920. You have already explained to the Committee why, in advertising for tenders, you only put in the principal articles?—Yes, Sir; but in 1877 I put in the whole in both of my advertisements.

1921. Did you, before September last, receive any receipts from Mr. Sutherland for his account—those accounts to which I referred?—The one I mentioned.

1922. Or any others?—No, Sir; except in 1875 when I paid him.

1923. That is when you paid him \$300 and odd?—No, Sir; some \$60.

1924. I think you spoke——?—I am now speaking of a prior account which I paid.

1925. You paid in 1876, \$300 and odd?—No, 1877.

1926. Did not you pay him in 1876?—No, Sir.

1927. Not till 1877; till you settled the whole account?—Previous to that I paid \$306.

1928. That was the account first rendered which you destroyed?—Yes.

1929. And the balance of that account was never credited?—Yes, Sir.

1930. Was this \$306.50 which you say you paid, the total amount of the account at that time?—No.

1931. What was the amount?—I do not remember exactly; \$306 showed the balance. I was not in a position to pay Mr. Sutherland the whole of the account, so I called in my storeman and showed it to him, and I gave him a cheque, which I asked him to get marked and give it to Mr. Sutherland. Eventually I got the account and paid the whole of it.

1932. That was the one you showed?—Yes.

1933. Did Mr. Sutherland ever make any threats to you in reference to this account—that he would make you pay it?—No.

1934. Do you know Mr. Scott, furniture dealer?—Yes.

1935. Have you been purchasing goods for the Government from him?—Not for a long time.

1936. Not for some time past? When did you?—In 1876, I should think, Sir. I have not purchased much furniture lately at all.

1937. Did you receive any goods from him for yourself?—I did, Sir.

1938. For which you paid?—For which I paid.

1939. Did he never make you a present of goods?—He never did.

1940. Then Mr. Scott never made you any presents of furniture of any kind in consideration of your dealing with him for the Government, or any other way; is that what I understand you to say?—That is what I say. I bought a large amount of furniture in furnishing my house, and he sent a chair to Mrs. Nixon, as my account was a large one.

1941. I think you were asked with reference to the examination of the coffee when I was not here?—Yes, Sir.

1942. I am informed that you stated you examined that coffee?—No, Sir; not when it was going out. I was in Sutherland's when it was being ground, and I went up stairs to see it. I do not remember when that was, whether it was when the coffee was being first sent out, or later in the season.

1943. Did you know that they were furnishing you with an inferior quality?—No, Sir; I did not.

1944. Did they ask you if it would answer the purpose of the Government?—I have no recollection of being asked that; the coffee that I saw being ground was very good.

1945. And did you reply that you were the Government, and that it would answer?—I do not remember; but the coffee I saw grinding was very good.

1946. They did ask you that question, then?—I do not remember.

1947. And you do not remember giving that answer?—I do not remember.

1948. You do not remember saying "I am the Government, and that will do?"—No, Sir; I do not remember that.

*By Mr. Mills:*

1949. When you bought this bacon from Mr. Sutherland for the Pacific Railway party, was it about the same time as you purchased the other?—It was in the summer—in the month of July. I bought some for the Mounted Police at the same time.

1950. At the time you bought that, did you have any bill or statement of the price at which it could be obtained elsewhere?—I do not think I had, Sir.

1951. You had no paper or memorandum which Mr. Scott might have confounded with the tender?—Not at that time; but I had the day before I opened the tenders: that was fully brought out the other day.

1952. The day before you opened the tenders?—Yes, Sir. On account of receiving the letter from the Secretary of State Department, stating that there had been complaints about the bacon, I was anxious to get a good article, and Sutherland's was the best.

*By Mr. Macdougall (Elgin):*

1953. Reference has been made quite a number of times to Mr. Bannatyne, Mr. McDermott and Mr. Strang. You say you know nothing whatever as to their relations, if there were any, which existed between Mr. Strang and Bannatyne, so far as this contract was concerned?—No, Sir; I do not.

1954. For aught you know, Mr. Strang and Mr. McDermott may have purchased from Mr. Bannatyne or they may have not?—They may have.

*By Mr. Bowell:*

1955. Can you tell us the amount of the first account rendered to you by Thorn-

ton & Sutherland on which you paid that \$306?—I should think it was in the month of May; indeed, I am pretty sure it was in the month of May.

1956. I asked you the amount?—I do not remember.

1957. Cannot you come pretty near to it?—I really do not remember what it was, Sir.

1958. Was it \$600 or \$800; was it \$800?—It might be either one of those amounts; I do not exactly remember.

1959. You say that you paid \$306 on that account?—Yes, Sir.

1960. What became of the balance of it?—I paid it subsequently.

1961. That is in this account?—Yes, Sir; you will see by this pass-book that I have been dealing with Mr. Sutherland since, or that Mrs. Nixon has.

*By Mr. McGregor:*

1962. In stating that dressed beef was to be delivered at various points, do you mean that they contracted to deliver dressed beef according to order—so much each time as ordered?—Yes; they are driven out to be slaughtered as required.

1963. Well, does it not make beef worth a good deal more when the cattle have to be taken care of until slaughtered and the beef delivered?—Certainly.

1964. On the other hand, if the Government buy live cattle they would have to keep them from day to day, and kill them as the party required?—Yes.

1965. And that Mr. DeMers started with the idea of selling at Winnipeg to the highest bidders?—Yes.

*By Mr. Mills:*

1966. And as a matter of fact, he did sell?—As a matter of fact he did sell. He did not come, I understand, across the country but by way of the Missouri River.

*By Mr. Plugh:*

1967. The feeding costs nothing?—Yes; but the herding would cost a good deal to say nothing of the possible loss; Mr. McKay lost 100 head in 1876 by their running away.

*By Mr. McGregor:*

1968. When making the contract with Mr. McKay you had no idea that Mr. DeMers was willing to make a tender?—No.

1969. You had made up your mind from the conversation you had with his agents that they were not going to tender?—That was my understanding.

1970. It has been stated that Mr. DeMers suffered great loss by his not receiving the Government contract. Have not you reason to believe that he had started out with his cattle before hearing from Mr. Gouin or Mr. Royal?—I was so informed.

*By Mr. Kerr:*

1971. When you gave that cheque for the cutter, did you expect it to be paid?—I did, Sir; certainly.

1972. Had you funds to pay it?—I had, Sir.

1973. And its not being presented or paid was none of your doing?—It was not, nor did I give any hint in that direction.

*By Mr. Mills:*

1974. Nor did you expect that it would not be cashed?—I did not.

THOMAS NIXON.

Mr. W. G. Scott recalled and further examined:—

*By Mr. Plumb:*

1975. When Mr. Sutherland had notice to appear before the Committee here what passed between you and him?—I was in the store at the time the telegram was received. He thought over it for a while, and said he did not think he could possibly go, and that he might have to send me. He said: "the fact is neither of us can tell anything, there is nothing to say." I asked Mr. Sutherland if we should be supposed to tell anything about those altered tenders, and he said: "No; it was not necessary to tell it." Those are the words he used.

1976. What did you say?—I told him that as I understood the nature of an oath; it was as much a crime to keep anything back as it was to tell anything that was not true.

1977. Then what did he say?—He said it was not likely that a question of that kind would be asked, and it was not necessary to volunteer the information.

1978. Then, when you were summoned, did he consent to your coming; did you come with his consent?—No.

1979. What did he say when you were summoned?—I think I explained that before. He asked me if I was going to Ottawa to neglect his business, and I told him I was compelled to go.

1980. Did he suggest that you should come?—In the first place he did.

1981. Then what occurred?—He said if I went to Ottawa I might stay there. Those were the words he used, as near as I can remember.

1982. Did he discharge you from his employment then?—He did not say "you are discharged," but I took it as a discharge.

*By Mr. Wood:*

1983. Are you going back to his employment when you return to Winnipeg?—No, Sir.

1984. Since this examination has been going on, I suppose it is a matter of fact, that you have been suggesting questions to gentlemen on the opposite side to ask Mr. Nixon?—(Question objected to, and objection sustained.)

*By Mr. Bowell:*

1985. You have heard the evidence of Mr. Nixon with reference to the statements made by yourself?—I have.

1986. In reference to the change of the tender—his appearance in Thornton & Sutherland's store, and your change of that tender upon the instructions of Mr. Sutherland—you heard that?—I did.

1987. And do you still reiterate what you have stated?—I do; and I say that Strang's name was not heard on that occasion. Mr. Bannatyne's name was always used there in connection with tenders for the Mounted Police or the Canadian Pacific Railway. When Mr. Strang tenders, it is the understanding, in Winnipeg, that it is for Mr. Bannatyne.

1988. You still state to the Committee that you are positive, of your own knowledge, that those tenders were changed, and that the old tender was returned, destroyed, a new one made out and sent to Mr. Nixon, and upon that Messrs Thornton & Sutherland received the contract—notwithstanding Mr. Nixon's denial?—(Question objected to, and objection sustained.)

*By Mr. Dymond:*

1989. Mr. Scott, having heard the evidence of Mr. Nixon with regard to the tender of Messrs Thornton & Sutherland, do you still adhere to the statement you originally made before the Committee as to your recollection of the facts?—I do.

*By Mr. Wood:*

1990. How do you know that that was Mr. Bannatyne's tender?—I answered the question this way: I stated that Mr. Nixon came into the office and asked us if we could not do better than or as low as Mr. Bannatyne.

1991. But you said that the tender was Mr. Bannatyne's?—Yes; I say so yet.

1992. Do you know; and how do you know?—I stated before, that he asked if we could do better than Bannatyne.

1993. Do you know this was Bannatynē's tender that Mr. Nixon had in his hand?—I knew Strang's handwriting.

1994. Then you only supposed it was Mr. Bannatyne's tender; as a matter of fact you did not know it?—Mr. Nixon spoke about Mr. Bannatyne's prices.

1995. Did he tell you it was Mr. Bannatyne's tender?—Not in so many words.

1996. Did he in any words? Did he use that expression?—He asked us if we could do better than Bannatyne.

1997. But I want a straightforward answer. How do you know that was Bannatyne's tender?—I cannot answer.

1998. Then, as a matter of fact, you do not know it was Mr. Bannatyne's tender?—Only in that way—that Mr. Strang's name was not used at all.

1999. You did not, as a matter of fact, know that it was Mr. Bannatyne's tender; you did not see the name?—I knew the handwriting.

*By Mr. Mills:*

2000. You supposed it was Mr. Bannatyne's name on the tender?—I supposed so.

*By Mr. Wood:*

2001. But you did not know, as a matter of fact?—I did not know further than as I have stated before.

*By the Chairman:*

2002. You did not see the name in the tender?—No.

*By Mr. Mills:*

2002a. When you were examined before, you supposed that this tender which he read out to be Mr. Strang's, was in Mr. Bannatyne's name?—I supposed it was in Mr. Bannatyne's name with "Andrew Strang" underneath. I did not look at the name.

2003. You did not know, until you came here, that this was Strang's tender?—The tender shown to both of us was in Strang's name. I always associated the one with the other, the same as everybody else did in Winnipeg. We all know that Strang is not in business. Bannatyne tendered a month previous for another department, and he may have come up and changed after that.

2004. You saw the tender?—I saw the tender.

2005. Did you see the tender that was destroyed?—I suppose I made it out.

2006. Then this tender of Mr. Bannatyne that you speak of—did you notice that it had Mr. Strang's name on at the time?—I do not remember noticing it.

*By Mr. Wood:*

2007. Then it is merely your own supposition?—(No answer.)

*By Mr. McCarthy:*

2008. Did you, or did you not, understand from Mr. Nixon whose tender it was?—He spoke of it as Strang's tender.

2009. Mr. Nixon did?—No; I made a mistake; he spoke of it as Mr. Bannatyne's tender.

2010. Did you look at the tender and see whose handwriting it was in?—I saw the handwriting.

2011. Did you know it?—I knew it.

2012. Whose handwriting was it?—Andrew Strang's.

2013. Then why did you say you thought it was Mr. Bannatyne's tender?—Mr. Strang did all Mr. Bannatyne's business, and most all his writing is in Mr. Strang's handwriting. I knew that handwriting; and while we were offering the prices, he gave us what we supposed were Mr. Bannatyne's prices.



*By Mr. Mills :*

2014. Is not the business carried on in Mr. Bannatyne's name reputed to be Mr. McDermott's business?—Not that I am aware of.

*By Mr. Wood :*

2015. Then, according to your theory, any communication in Mr. Strang's handwriting would come from Mr. Bannatyne?—I know that Mr. Strang is not in business.

2016. Do you know whether Mr. Strang has a brother in business there?—I know that.

2017. Then might he not have purchased those goods from his brother?—The principal part of the goods required were not kept by his brother. He did not keep bacon.

WM. G. SCOTT.

#### TELEGRAMS REFERRED TO IN THE REPORT.

" OTTAWA, 11th March, 1878.

" *To Peter Sutherland, Winnipeg.*

" By order of the Public Accounts Committee, you are hereby summoned to appear before them forthwith, to give evidence respecting awarding of Government contracts in Winnipeg.—Answer.

" E. P. HARTNEY,  
" *Clerk of Committee.*"

" OTTAWA, 11th March, 1878.

" *To Thomas Nixon, Winnipeg.*

" The following Resolution passed Public Accounts Committee this morning:—  
' That there have been very great irregularities in the awarding of Government contracts in Winnipeg, and that Mr. Peter Sutherland can give important testimony in relation thereto, that Mr. Peter Sutherland be summoned to appear before this Committee, that Mr. Thomas Nixon also be summoned and informed of the nature of the Resolution.' You are accordingly summoned to appear before the Committee forthwith.—Answer.

" E. P. HARTNEY,  
" *Clerk of Committee.*"

" OTTAWA, 14th March.

" *By Telegraph from Winnipeg, Manitoba, to E. P. Hartney, Clerk of Public Accounts Committee, Ottawa.*

" Telegram did not reach till last night. Will leave to-night.

" THOS. NIXON."

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"OTTAWA, 14th March, 1878.

*"By Telegraph from Winnipeg, Manitoba, to E. P. Hartney, Clerk Committee Public Accounts, Ottawa.*

"Your telegram of eleventh instant just received: Family and business reasons urgently forbid my leaving home unless absolutely necessary. My bookkeeper, Wm. G. Scott, knows all that I do, and, if summoned, can leave forthwith. Please reply.

"PETER SUTHERLAND."

"Collect."

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"OTTAWA, 21st March, 1878.

*"To Wm. G. Scott, Winnipeg, Manitoba.*

"By order of the Public Accounts Committee you are summoned to appear before them forthwith, to give evidence regarding the awarding of Government contracts in Winnipeg.

"E. P. HARTNEY,  
"Clerk of Committee."

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"OTTAWA, March 21st, 1878.

*By Telegraph from Winnipeg, Manitoba, to E. P. Hartney, Clerk of Public Accounts Committee.*

"Will go on first boat which leaves here on Saturday.

"W. G. SCOTT.

"Collect."

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"OTTAWA, March 22nd, 1878.

*"By Telegraph from Winnipeg, Manitoba, to Donald A. Smith, House of Commons, Ottawa.*

"Neither myself nor W. G. Scott can give testimony against Mr. Nixon of a serious nature, and would ask to be relieved from going down. After mature consideration, object to Scott giving evidence in my behalf.

"PETER SUTHERLAND."

"\$3.93—Collect."

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"OTTAWA, March 21st, 1878.

*"To Peter Sutherland, Esq., Winnipeg, Manitoba.*

"Telegram received. Have no authority. Matter rests with Public Account Committee, Mr. Young, Chairman.

"DON. A. SMITH."

"OTTAWA, 23rd March, 1878.

"By Telegraph from Winnipeg to M. Young, Chairman Public Accounts Committee, Ottawa.

"Neither myself nor W. G. Scott can give direct testimony implicating Mr. Nixon, and ask that summons to Scott be revoked. Answer.

"P. SUTHERLAND."

"OTTAWA, 25th March, 1878.

"To P. Sutherland, Winnipeg, Manitoba.

"Have no power to revoke order of Committee without its sanction.

"J. YOUNG,  
Chairman."

"OTTAWA, 28th March, 1878.

"To W. G. Scott, Winnipeg, Manitoba.

"By order of the Public Accounts Committee you are hereby peremptorily summoned to appear before them forthwith.

"E. P. HARTNEY,  
Clerk of Committee."

"OTTAWA, 28th March, 1878.

"To P. Sutherland, Winnipeg, Manitoba.

"By Order of the Public Accounts Committee, you are hereby peremptorily summoned to appear before them forthwith.

"E. P. HARTNEY,  
Clerk of Committee."

"March 29th, 1878.

"By Telegraph from Toronto, to Jas. Young, M.P., Chairman Public Accounts Committee, House of Commons.

"Just arrived here from Winnipeg. Do you want me at once?" Answer immediately, care W. McNaught.

"W. G. SCOTT."

"OTTAWA, 12th April, 1878.

"To P. Sutherland, Winnipeg, Manitoba.

"By Order of the Public Accounts Committee, you are hereby summoned to appear before them forthwith, and to bring your letter-book and account-books with you.

"E. P. HARTNEY,  
Clerk of Committee."

" OTTAWA, 13th April, 1878.

" *By Telegraph from Winnipeg, Manitoba, to Manager, Ottawa.*

" Yours to-day to Sutherland, signed Hartney, delivered 4:30, P.M., to himself.

" WINNIPEG.

" Collect."

" OTTAWA, 15th April, 1878.

" *To P. Sutherland, Winnipeg, Manitoba.*

" Committee insist on your immediate attendance.—Answer yea or nay.

" E. P. HARTNEY,  
" *Clerk of Committee.*"

" OTTAWA, 16th April, 1878.

" *By Telegraph from Winnipeg, Manitoba, to E. P. Hartney, Clerk, Public Accounts Committee.*

" Have no wish to avoid examination; if compelled to go down, have to close my store. Will go if indemnified for loss.—Answer.

" P. SUTHERLAND."

" OTTAWA, 17th April, 1878.

" *To P. Sutherland, Winnipeg, Manitoba.*

" Committee insist that you obey summons—Usual expenses will be allowed.

" E. P. HARTNEY,  
" *Clerk of Committee.*"

" 19th April, 1878.

" *By Telegraph from Winnipeg, Manitoba, to E. P. Hartney, Clerk of Committee Public Accounts.*

" Order examination here. Will shield no one. Absence disastrous to my affairs. Cannot leave."

" P. SUTHERLAND."